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Board of Regents Meeting Minutes

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**MINUTES OF THE MEETING OF THE BOARD OF REGENTS  
Murray State University  
December 6, 1996**

The Board of Regents of Murray State University met on December 6, 1996, in quarterly session in the Board of Regents Room, Wells Hall, on the campus of Murray State University. The meeting was called to order at 1:20 p.m. by Chair Sid Easley. Regent Richard Lewis gave the invocation.

Upon roll call, the following were present: Mrs. Marilyn Buchanon, Mr. Tom Burich, Mr. Sid Easley, Mrs. Beverly Ford, Dr. Nancey France, Mrs. Arlivia Gamble, Mrs. Marie Jones, Mr. Philip Lanier, Mr. Richard Lewis, Mr. Wells Lovett, and Mr. Derek Somerville. Absent: none.

Others present were: Dr. Kern Alexander, President of the University; Sandra M. Rogers, Secretary to the Board; Tom Denton, Treasurer and Interim Vice President for Administrative Services; Dr. Don Robertson, Vice President for Student Affairs; members of the faculty, staff, students, news media and visitors.

**Agenda**

The following agenda for the meeting was presented:

**AGENDA  
Board of Regents Meeting  
Murray State University  
December 6, 1996  
1:30 p.m.**

1. Roll Call
2. Minutes of the Meeting of the Board of Regents held on September 6, 1996
3. Report of the President Dr. Alexander
4. Report of the Chairman Mr. Easley
5. Report of the Treasurer Mr. Denton  
(Financial and Investments Reports for the period of July 1, 1996, to September 30, 1996)
6. Report of the Dean of Admissions and Registrar Dr. Alexander  
(December Graduates)
7. Personnel Changes Dr. Alexander
  - A. Staff Leaves of Absence without Pay
  - B. Public Service Leave of Absence without Pay
  - C. Recommendation on Appointment of Budget Officer
8. Committee Reports/Recommendations
  - A. Academic Affairs Mr. Lovett
  - B. Athletic Mrs. Ford
  - C. Buildings and Grounds Mr. Burich
  - D. Development/Investments Mr. Lovett
  - E. Equal Opportunity/Affirmative Action Mrs. Gamble
  - F. Faculty/Staff Affairs Mr. Lanier
  - G. Finance/Audit Mr. Easley
  - H. Governmental Relations Mr. Lewis
  - I. Student Life Mr. Somerville
9. Appointments to the University Appeals Board Dr. Alexander

**Minutes of the Meeting of the Board of Regents held on September 6, 1996, approved**

Mrs. Jones moved that the Minutes of the Board meeting held on September 6, 1996, be approved as submitted. Dr. France seconded and the motion carried.

**Report of the President**

**1. Retention**

President Alexander expressed appreciation to faculty and staff for their participation in the Roads Scholars program. With the Roads Scholars efforts, along with the efforts of the School Relations staff, Murray State University has set eight enrollment records:

- \* highest enrollment--8,636
- \* highest undergraduates--7,120
- \* highest credit hours--109,594
- \* highest full-time equivalent--7,047
- \* highest international enrollment--346
- \* highest in-state enrollment--6,430
- \* highest returning students--5,720
- \* highest number of full-time students--6,617

Dr. Alexander further pointed out that the University's African-American enrollment increased 10 percent.

Our freshman retention rate has increased to 70 percent from 34 percent last year. Students having difficulty in classes are reported early in the semester and given special assistance by faculty.

The University has internally reallocated resources for student assistance and scholarships and momentum has been built up for the last two years. Next year the University will calibrate that to determine the progress and spread.

2. President Alexander pointed out that the state of Kentucky is in a difficult financial position. Murray State has done well compared to some institutions, but poorly in the state of Kentucky. This year Murray State enrolled 8 percent of the students, but only received 6.5 percent of the money allocated by the state. The University of Kentucky enrolled 23 percent of the students and received 42 percent of the money in Kentucky. There is a big imbalance of fiscal resources in higher education in Kentucky. Murray State University has 85 percent Ph.D.'s and there is no reason we should not have selected high quality doctoral programs at Murray State, which is something that we hope the Governor's Task Force is going to take into account.

President Alexander distributed copies of Notes he prepared on higher education in Kentucky which include equity in distribution of resources in Kentucky, taxpayer effort for the individual institution, the increases in funding over a period of years showing how there is a disparate flow of resources, the lack of quality of doctoral programs in Kentucky, and the lack of quantity of doctoral programs in Kentucky. He pointed out that the Council on Higher Education is now investigating the Notes. He expressed appreciation for support in reviewing the report and asked for assistance in relaying the information to communities across the state.

3. Dr. Alexander congratulated the College of Education on the recent NCATE accreditation visit. Special appreciation was expressed to Dean Jan Weaver. Even though the final evaluation has not been submitted, the NCATE team left Murray State very much impressed.

4. President Alexander reported that not only did Murray State get excellent cost quality rankings in the U.S. News and World Report, but was recently written up in the Chronicle of Higher Education. The article described our new residential college plan. He commended the college heads for their efforts to move Murray State toward a model of higher education that is not used in any other public university in America. He pointed out that the first Investiture is scheduled on Friday night in Lovett Auditorium.

5. Murray State has excelled in both athletics and academics in 1996. The football team is playing at the second level of the NCAA playoffs. We also have had two scholars to make the second level of the Rhodes Scholarship, Mike Williams and Reuel Shepard. Reuel is captain of the football team and Mike has excelled in academics and other activities on campus.

6. The Student Government Association has been outstanding this year under Derek Somerville's leadership and has had a lot of initiatives. More Murray State students registered to vote than at all the other universities in Kentucky. Dr. Alexander commended Derek Somerville for his performance as President of the Student Government Association and asked him for comments.

Regent Somerville distributed a report and reviewed the SGA activities of the year. He expressed appreciation in particular to four individuals who had been instrumental in the successes of SGA--Bill Benriter, Director of Food Services; Dewey Yeatts, Director, Facilities Management; Jim Baurer and Jeanie Morgan, Advisors for Student Government. He pointed out that Mr. Baurer and Ms. Morgan's depths of knowledge and unselfish attitudes have contributed to the ongoing efforts of SGA ensuring that students experience rich opportunities at Murray State University.

#### Report of the Chairman

Chairman Easley commended Regent Somerville for the excellent report.

He expressed appreciation to President Alexander for producing the report on funding of higher education. He pointed out that Murray State is fortunate to have a President of Kern Alexander's intellect who is trying to help in the restructuring in the funding of higher education, not necessarily because it helps MSU, but because it hopefully will help the taxpayers of Kentucky. That is, money will not be wasted on programs that are no longer needed.

Mr. Easley expressed appreciation to Dan and Charlene Evans for the funding the University received for the Rodeo Barn.

Chairman Easley asked the Regents to go by to see the highway marker recently erected in front of Faculty Hall for Cleanth Brooks, who is one of the outstanding literary critics of the 20th Century. Mr. Brooks was born here, thus the reason the marker was placed on our campus.

He closed by pointing out that with all the positive things happening on the Murray State University campus, it is a good time to serve on this Board.

#### Report of the Treasurer

Mr. Tom Denton presented and reviewed the financial and investment reports for the period of July 1, 1996 to September 30, 1996. Following a brief discussion, Mr. Lewis moved, seconded by Mrs. Jones, that the Treasurer's Report be accepted. Motion carried.

(See Attachments #1 and #2)

#### Report of the Dean of Admissions and Registrar

Dr. France pointed out that one of the degrees to be granted is a posthumous degree to Jacquelyn B. Westbrook, Master of Science in Nursing, who was killed in a car accident in October.

Dr. France moved that upon the completion of all requirements, individuals recommended by the Dean of Admissions and Registrar be awarded the respective degree effective December 18, 1996. Mr. Somerville seconded and the motion carried.

(See Attachment #3)

### Personnel Changes, approved

President Alexander recommended the following personnel changes:

#### Staff Leaves of Absence Without Pay, approved

Mrs. Jones moved that the Board of Regents, upon the recommendation of the President of the University, approve the Staff Leaves of Absence Without Pay as listed below:

Adams, Robert D.	Microcomputer Repair	8/30/96--8/31/96
Chiles, Jesse H.	Facilities Management	8/31/96--9/15/96
Dick, Mary	Food Services	8/25/96--12/18/96
Futrell, William T.	Facilities Management	10/8/96--11/22/96
Harris, Gearld	Facilities Management	9/28/96--11/30/96
Hays, Kay	Educational Talent Srch	11/20/96--1/6/97
Jenkins, James J.	Facilities Management	10/26/96--12/6/96
Joiner, Kelly E.	Residence Life/Housing	10/8/96--11/18/96
Overby, Jacquelyn	Procurement Services	11/17/96--11/16/97
Parrish, Kathryn	Facilities Management	9/16/96--10/24/96
Turner, Tyrone P.	Facilities Management	10/4/96--11/22/96

Mr. Lewis seconded and the motion carried.

#### Public Service Leave of Absence Without Pay, approved

Mr. Lanier moved that the Board of Regents, upon the recommendation of the President of the University, approve the Public Service Leave of Absence Without Pay for Viola Miller, Dean, Center for Continuing Education and Academic Outreach, 1/1/97 - 12/31/97. Mrs. Ford seconded and the motion carried.

#### University Budget Officer, appointed

Mrs. Jones moved that the Board of Regents, upon the recommendation of the President of the University, approve the appointment of Carl F. Prestfeldt, Jr., as University Budget Officer, effective October 30, 1996, at an annual salary of \$54,000.

Mrs. Buchanan seconded and the roll was called with the following voting: Mrs. Buchanan, yes; Mr. Burich, yes; Mrs. Ford, yes; Dr. France, yes; Mrs. Gamble, yes; Mrs. Jones, yes; Mr. Lanier, yes; Mr. Lewis, yes; Mr. Lovett, yes; Mr. Somerville, yes; and Mr. Easley, yes. Motion carried.

### Committee Reports

A. Academic Affairs - Mr. Lovett. No report.

B. Athletic - Mrs. Ford. No report.

C. Buildings and Grounds - Mr. Burich.

The following recommendations were approved by the Buildings and Grounds Committee.

#### 1. Razing of Structure

For the Buildings and Grounds Committee, Mr. Burich moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached Resolution and Order to raze the structure known as the Mobile Home (Building #401) located at Hancock Biological Station. Mrs. Buchanan seconded and the motion carried.

(See Attachment #4)

#### 2. Naming of Rodeo Barn

For the Buildings and Grounds Committee, Mr. Burich moved that the Board of Regents, upon the recommendation of the President of the University, accept the donation of the new Rodeo Barn and approve the naming of the building, the Eldon Heathcott Rodeo Barn. Dr. France seconded and the motion carried.

### 3. Financing for Campus Networking Project

For the Buildings and Grounds Committee, Mr. Burich moved that the Board of Regents, upon the recommendation of the President of the University, authorize the University to award a contract for third-party financing up to the amount of \$1.5 million for the purpose of funding the University's campus networking project. The deadline for proposals is December 2, 1996.

Mrs. Jones seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Ford, yes; Dr. France, yes; Mrs. Gamble, yes; Mrs. Jones, yes; Mr. Lanier, yes; Mr. Lewis, yes; Mr. Lovett, yes; Mr. Somerville, yes; and Mr. Easley, yes. Motion carried.

D. Development/Investments - Mr. Lovett. No report.

E. Equal Opportunity/Affirmative Action - Mrs. Gamble.

The following recommendation was approved by the Equal Opportunity/Affirmative Action Committee.

#### 1. Reaffirmation of the Affirmative Action Plan

For the Equal Opportunity/Affirmative Action Committee, Mrs. Gamble moved that the Board of Regents, upon the recommendation of the President of the University, reaffirm its commitment to the Murray State University Affirmative Action Policy and Plan. Mrs. Jones seconded and the motion passed.

F. Faculty/Staff Affairs - Mr. Lanier.

The following recommendation was approved by the Faculty/Staff Affairs Committee.

#### 1. Concealed Weapons Policy for Public Safety Officers

For the Faculty/Staff Affairs Committee, Mr. Lanier moved that the Board of Regents, upon the recommendation of the President of the University, approve the following policy relative to Murray State University's Public Safety Officers:

That all sworn policy officers employed with the Murray State University Public Safety Department be authorized, through the MSU Board of Regents, to carry concealed weapons while off duty.

Mrs. Jones seconded and the motion passed.

G. Finance/Audit - Mr. Easley.

The following recommendations were approved by the Finance/Audit Committee.

#### 1. Audit Reports, approved

For the Finance/Audit Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, accept the following audited financial reports for 1995-96: a) General Financial, b) A133 Federal Programs, and c) House Bill 622. Mr. Somerville seconded and the motion carried.

(See Attachments #5, #6 and #7)

Mr. Lanier moved that the Board of Regents, having received from Deloitte and Touche that firm's audit report of Financial Statements for the Year ended June 30, 1996, records its disagreement with the auditors' characterization in the report implying that the relationship of the University and the MSU Foundation is one of principal and agent. See, e.g., Footnotes 1 and 10 to the said Financial Statements. Mr. Lewis seconded and the motion carried.

## 2. Tuition Rates, acknowledged and authorized

For the Finance/Audit Committee, Mr. Easley moved that the Board of Regents acknowledge and authorized the attached tuition rates for the 1997-98 year as established by or based upon the Council on Higher Education for Murray State University.

Mrs. Gamble seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Ford, yes; Dr. France, yes; Mrs. Gamble, yes; Mrs. Jones, yes; Mr. Lanier, yes; Mr. Lewis, yes; Mr. Lovett, yes; Mr. Somerville, respectfully, no; and Mr. Easley, yes. Motion carried.

(See Attachment #8)

## 3. New Course Fees, approved

For the Finance/Audit Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve new course fees for the following courses, effective 1997-98:

AGR 170, Introduction to Agricultural Engineering - \$10  
 AGR 362, Florist Shop Operation & Management - \$15  
 AGR 380, Clinical Rotation - \$50  
 FCS 554, Home Interiors III - \$20  
 ITE 101, Technical Drawing Fundamentals - \$20  
 ITE 120, Manufacturing Processes & Materials - \$10  
 JMC 638, Electronic Media Production - \$35  
 NUR 201, Nursing Assessment - \$15  
 NUR 204, Nursing Practice Fundamentals - \$45  
 NUR 641, Advanced Nursing Assessment for Health Promotion & Maintenance - \$30

Mrs. Buchanon seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Ford, yes; Dr. France, yes; Mrs. Gamble, yes; Mrs. Jones, yes; Mr. Lanier, yes; Mr. Lewis, yes; Mr. Lovett, yes; Mr. Somerville, yes; and Mr. Easley, yes. Motion carried.

## 4. Course Fee Increase, approved

For the Finance/Audit Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve the following increases in course fees for the 1997-98 academic year: Change from \$6 to \$12 per credit hour--Current Art Course Fees.

Mrs. Ford seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Ford, yes; Dr. France, yes; Mrs. Gamble, yes; Mrs. Jones, yes; Mr. Lanier, yes; Mr. Lewis, yes; Mr. Lovett, yes; Mr. Somerville, no; and Mr. Easley, yes. Motion carried.

## 5. Admission Application Fee Increase, approved

For the Finance/Audit Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve increasing the admission application fee from \$15 to \$20 effective July 1, 1997.

Dr. France seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Ford, yes; Dr. France, yes; Mrs. Gamble, yes; Mrs. Jones, yes; Mr. Lanier, yes; Mr. Lewis, yes; Mr. Lovett, yes; Mr. Somerville, no; and Mr. Easley, yes. Motion carried.

## 6. Rodeo Stall Rental Fee Increase, approved

For the Finance/Audit Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve increasing the Rodeo Stall Rental Fee from \$160 to \$200 per semester and a \$30 refundable deposit, effective 1997-98.

Mr. Lewis seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Ford, yes; Dr. France, yes; Mrs. Gamble, yes; Mrs. Jones, yes; Mr. Lanier, yes; Mr. Lewis, yes; Mr. Lovett, yes; Mr. Somerville, no; and Mr. Easley, yes. Motion carried.

#### 7. Lock Change Fee Increase, approved

For the Finance/Audit Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve an increase in the lock change fee from \$15 to \$25, effective for the 1997-98 fiscal year. Mrs. Buchanon seconded.

Following a brief discussion regarding actual cost, the administration was asked to look into actual cost and bring back to the next Board meeting.

The roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Ford, yes; Dr. France, yes; Mrs. Gamble, yes; Mrs. Jones, yes; Mr. Lanier, yes; Mr. Lewis, yes; Mr. Lovett, yes; Mr. Somerville, abstain; and Mr. Easley, yes. Motion carried.

#### 8. Room and Board Increase, approved

For the Finance/Audit Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve a 6 percent room and board increase, effective 1997 Summer Session and the 1997-98 Academic Year. Mrs. Jones seconded.

In response to Regent Somerville's question regarding justification for the 6 percent increase, especially with the glowing report from the auditors, Dr. Alexander responded that the total overall picture of the University is good. However, the auxiliaries are down and there is a difficult problem. Within the total budget, our auxiliaries are down right now \$400,000. We've got those items with a pending \$200,000 of increase in minimum wage, the upkeep of the elevators, and the auxiliary services have to stand alone. We have a problem in auxiliary services because of the age of the residence halls, the minimum wage, etc., and we do need the increase. He pointed out that Murray State has the second lowest room and board in the state. He further added that the 6 percent increase is not too high in view of our circumstances.

Following discussion, the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Ford, yes; Dr. France, yes; Mrs. Gamble, yes; Mrs. Jones, yes; Mr. Lanier, yes; Mr. Lewis, yes; Mr. Lovett, yes; Mr. Somerville, no; and Mr. Easley, yes. Motion carried.

#### 9. Elimination of the Frozen Residence Hall Room Rate Policy, approved

For the Finance/Audit Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve the elimination of the frozen residence hall room rate policy. Mr. Lovett seconded.

Following a brief discussion, the roll was called with the following voting: Mrs. Buchanon, yes; Mr. Burich, yes; Mrs. Ford, yes; Dr. France, yes; Mrs. Gamble, yes; Mrs. Jones, yes; Mr. Lanier, yes; Mr. Lewis, yes; Mr. Lovett, yes; Mr. Somerville, abstain; and Mr. Easley, yes. Motion carried.

#### University Student Appeals Board Members, appointed

Mrs. Jones moved that the Board of Regents, upon the recommendation of the President of the University, appoint the following faculty and students to the University Student Appeals Board for the terms indicated:



Faculty: Three-year term (1996-99)

Chuck Hulick, College of Education  
Paul Sasso, College of Fine Arts and Communication

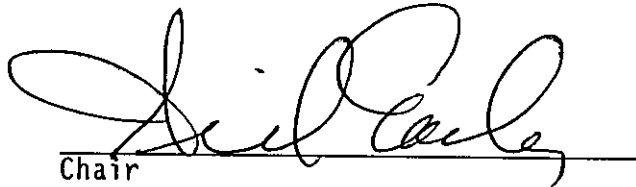
Students: One-year term (1996-97)

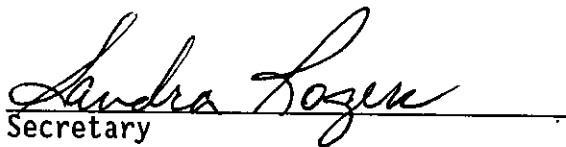
Jeff Wilson  
Tom Richter  
Emily Forbes

Mr. Somerville seconded and the motion carried.

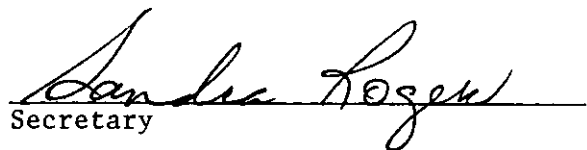
**Meeting Adjournment**

There being no further business to come before the Board, Mr. Somerville moved, seconded by Mrs. Jones, that the meeting adjourn. Adjournment was at 3:05 p.m.

  
Chair

  
Secretary

This page left blank due to the Attachments to the Minutes of the meeting of the Board of Regents held on December 6, 1996.

  
Secretary



**Murray State University**

# **Financial Report**

FOR THE PERIOD

July 1, 1996 - September 30, 1996

**SUBMITTED TO  
THE PRESIDENT  
AND  
BOARD OF REGENTS**

December 6, 1996

# **Murray State University**

P O BOX 9  
MURRAY KY 42071-0009

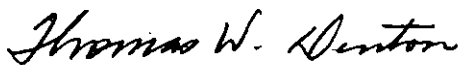
November 13, 1996

President Kern Alexander  
Members of the Board of Regents  
Murray State University  
Murray, KY 42071

Dear President Alexander and Members of the Board:

Attached is the Financial Report of Murray State University for the period July 1, 1996 through September 30, 1996.

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Thomas W. Denton  
Interim Vice President for  
Administrative Services

emd

*Equal education and employment opportunities M/F/D, AA employer*

MURRAY STATE UNIVERSITY  
CURRENT UNRESTRICTED FUNDS  
UNAUDITED BALANCE SHEET  
As of September 30, 1996  
With Comparative Figures as of September 30, 1995

	1996-97			1995-96
	Educational and General	Auxiliaries	Total	
<b>ASSETS</b>				
Cash (Note 2)	\$ 3,802,084	\$ 1,092,810	\$ 4,894,894	\$ 2,010,841
Investments (Note 2)	15,735,698	745,099	16,480,797	18,297,344
Total cash and investments	19,537,782	1,837,909	21,375,691	20,308,185
Inventories (Note 3)	318,838	723,918	1,042,756	939,756
Prepaid expenses	1,986	-	1,986	7,441
Accounts and loans receivable, net	1,392,984	1,087,314	2,480,298	2,133,262
Interest receivable	222,480	15,832	238,312	258,262
Due from other funds	222,923	-	222,923	17,181
Total assets	<u>\$ 21,696,993</u>	<u>\$ 3,664,973</u>	<u>\$ 25,361,966</u>	<u>\$ 23,664,087</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 429,507	\$ 3,782	\$ 433,289	\$ 178,111
Accrued expenses	2,719	-	2,719	-
Accrued compensated absences	1,148,690	87,443	1,236,133	1,212,279
Health and life insurance liability	956,253	-	956,253	1,259,870
Racer card liability	-	112,979	112,979	99,294
Deposits	1,380	274,263	275,643	251,030
Total liabilities	<u>\$ 2,538,549</u>	<u>\$ 478,467</u>	<u>\$ 3,017,016</u>	<u>\$ 3,000,584</u>
Fund Balance:				
Beginning fund balance - July 1	\$ 9,133,401	\$ 764,439	\$ 9,897,840	\$ 10,037,337
Additions/(deductions) - year to date	10,025,043	2,422,067	12,447,110	10,626,166
Total fund balance	<u>\$ 19,158,444</u>	<u>\$ 3,186,506</u>	<u>\$ 22,344,950</u>	<u>\$ 20,663,503</u>
Total liabilities and fund balance	<u>\$ 21,696,993</u>	<u>\$ 3,664,973</u>	<u>\$ 25,361,966</u>	<u>\$ 23,664,087</u>

MURRAY STATE UNIVERSITY  
CURRENT UNRESTRICTED FUNDS  
UNAUDITED SUMMARY OF CHANGES AND ALLOCATIONS IN FUND BALANCE  
For the Period July 1, 1996 through September 30, 1996  
With Comparative Figures for the Period Ended September 30, 1995

	1996-97			1995-96
	Educational and General	Auxiliaries	Total	
<b>Fund Balance - Beginning July 1</b>				
Working capital	\$ 1,190,279	\$ 133,122	\$ 1,323,401	\$ 1,827,504
Reserve for self insurance	900,000	-	900,000	900,000
Reserve for revenue contingency	1,851,808	-	1,851,808	997,123
Encumbrances	353,791	59,308	413,099	925,382
Carryovers	4,837,523	572,009	5,409,532	5,387,328
<b>Total fund balance - beginning July 1</b>	<b>\$ 9,133,401</b>	<b>\$ 764,439</b>	<b>\$ 9,897,840</b>	<b>\$ 10,037,337</b>
<b>Increase/(decrease) - year to date</b>				
Revenues	\$ 25,366,499	\$ 5,799,967	\$ 31,166,466	\$ 28,452,823
Expenditures	(15,955,403)	(2,986,189)	(18,941,592)	(17,919,602)
Mandatory transfers				
Debt service	-	(314,391)	(314,391)	(486,638)
Loan match	-	-	-	-
Non-Mandatory transfers				
To CERR	-	-	-	-
From CERR	539,782	-	539,782	850,139
To plant funds	(3,150)	-	(3,150)	(276,411)
From plant funds	-	-	-	5,411
To educational and general	77,320	(77,320)	-	-
From educational and general	-	-	-	-
Other changes	(5)	-	(5)	444
<b>Total year to date increase/ (decrease) in fund balance</b>	<b>\$ 10,025,043</b>	<b>\$ 2,422,067</b>	<b>\$ 12,447,110</b>	<b>\$ 10,626,166</b>
<b>Fund Balance - ending September 30</b>				
Working capital	\$ 1,934,302	\$ 1,827,064	\$ 3,761,366	\$ 3,331,280
Reserve for self insurance	900,000	-	900,000	900,000
Reserve for revenue contingency	2,486,018	-	2,486,018	997,123
Encumbrances	805,630	68,109	873,739	1,626,047
Carryovers	4,837,523	572,009	5,409,532	5,387,328
Unallocated	8,194,971	719,324	8,914,295	8,421,725
<b>Total fund balance - ending September 30</b>	<b>\$ 19,158,444</b>	<b>\$ 3,186,506</b>	<b>\$ 22,344,950</b>	<b>\$ 20,663,503</b>

MURRAY STATE UNIVERSITY  
**CURRENT UNRESTRICTED FUNDS**  
**UNAUDITED SUMMARY OF BUDGET ADJUSTMENTS**  
For the Period July 1, 1996 through September 30, 1996  
With Comparative Figures for the Period Ended September 30, 1995

	1996-97		Current	1995-96
	Original	Adjustments/	Budget Per	Budget Per
	Budget	Revisions	Report	Report
REVENUES				
Educational & General	\$ 67,242,118			
Prior year carryovers (Note 5)		\$ 4,837,523		
Prior year carryovers-adjustments		455,458		
Prior year encumbrances (Note 5)		353,791		
Various account adjustments		10,732		
Total Educational & General	\$ 67,242,118	\$ 5,657,504	\$ 72,899,622	\$ 67,595,608
Auxiliary Enterprises	\$ 12,423,227			
Prior year carryovers (Note 5)		\$ 572,009		
Prior year carryovers-adjustments		-		
Prior year encumbrances (Note 5)		59,308		
Various account adjustments		-		
Total Auxiliary Enterprises	\$ 12,423,227	\$ 631,317	\$ 13,054,544	\$ 12,004,952
Total Revenues	\$ 79,665,345	\$ 6,288,821	\$ 85,954,166	\$ 79,600,560
EXPENDITURES				
Educational & General	\$ 67,242,118			
Prior year carryovers (Note 5)		\$ 4,837,523		
Prior year carryovers-adjustments		455,458		
Prior year encumbrances (Note 5)		353,791		
Various account adjustments		10,732		
Total Educational & General	\$ 67,242,118	\$ 5,657,504	\$ 72,899,622	\$ 67,595,608
Auxiliary Enterprises	\$ 12,423,227			
Prior year carryovers (Note 5)		\$ 572,009		
Prior year carryovers-adjustments		-		
Prior year encumbrances (Note 5)		59,308		
Various account adjustments		-		
Total Auxiliary Enterprises	\$ 12,423,227	\$ 631,317	\$ 13,054,544	\$ 12,004,952
Total Expenditures	\$ 79,665,345	\$ 6,288,821	\$ 85,954,166	\$ 79,600,560

MURRAY STATE UNIVERSITY  
**CURRENT UNRESTRICTED FUNDS - EDUCATIONAL AND GENERAL**  
**UNAUDITED SCHEDULE OF REVENUES BY SOURCE, EXPENDITURES BY FUNCTION, AND OTHER CHANGES**  
For the Period July 1, 1996 through September 30, 1996  
With Comparative Figures for the Period Ended September 30, 1995

	1996-97			1995-96	
	Current Budget	Fiscal Year Actual	Actual % Budget	Fiscal Year Actual	Actual % Budget
<b>REVENUES</b>					
Tuition and fees (Note 6)	\$ 21,506,829	\$ 11,332,933	53%	\$ 10,160,309	51%
State appropriation	41,700,200	12,535,100	30%	11,983,700	30%
Indirect cost reimbursement	168,977	34,338	20%	28,416	18%
Sales and services of educational departments	2,000,869	732,949	37%	407,573	25%
Other sources	2,372,191	731,179	31%	624,459	32%
Prior year carryovers and encumbrances (Note 5)	5,150,556	-	N/A	-	N/A
<b>Total revenues</b>	<b>\$ 72,899,622</b>	<b>\$ 25,366,499</b>	<b>35%</b>	<b>\$ 23,204,457</b>	<b>34%</b>
<b>EXPENDITURES (Note 7)</b>					
Instruction	\$ 29,527,888	\$ 6,046,039	20%	\$ 5,548,357	20%
Research	961,652	187,793	20%	161,973	23%
Public service	3,408,183	755,839	22%	805,700	26%
Academic support	3,117,346	630,612	20%	703,171	26%
Library	2,616,521	1,014,270	39%	937,038	40%
Student services	5,324,566	1,247,908	23%	1,405,436	26%
Institutional support	7,981,541	1,822,041	23%	1,786,636	23%
Operation & maint of plant	10,374,919	1,460,561	14%	1,798,253	19%
Scholarships	4,963,768	2,790,340	56%	2,103,137	49%
<b>Total expenditures</b>	<b>\$ 68,276,384</b>	<b>\$ 15,955,403</b>	<b>23%</b>	<b>\$ 15,249,701</b>	<b>24%</b>
<b>TRANSFERS IN (OUT) AND OTHER CHANGES</b>					
Mandatory transfers					
Consolidated educational bond sinking fund	\$ (4,017,149)	\$ -	N/A	\$ (178,011)	N/A
Loan fund match	(109,819)	-	N/A	-	N/A
Non-mandatory transfers					
Transfers to CERR (Note 8)	(780,000)	-	N/A	-	N/A
Transfers from CERR (Note 8)	209,560	539,782	N/A	850,139	N/A
Transfers to unexpended plant fund (Note 8)	(3,150)	(3,150)	N/A	(225,411)	N/A
Transfers from unexpended plant fund (Note 8)	-	-	N/A	5,411	N/A
Transfers from auxiliaries	77,320	77,320	N/A	77,320	N/A
Transfers to auxiliaries	-	-	N/A	-	N/A
Other changes	-	(5)	N/A	444	N/A
<b>Total transfers and other changes</b>	<b>\$ (4,623,238)</b>	<b>\$ 613,947</b>	<b>N/A</b>	<b>\$ 529,892</b>	<b>N/A</b>
<b>Total expenditures, transfers and other changes</b>	<b>\$ 72,899,622</b>	<b>\$ 15,341,456</b>	<b>21%</b>	<b>\$ 14,719,809</b>	<b>22%</b>
<b>Net change in fund balance</b>		<b>\$ 10,025,043</b>		<b>\$ 8,484,648</b>	

**MURRAY STATE UNIVERSITY**  
**CURRENT UNRESTRICTED FUNDS - AUXILIARIES**  
**UNAUDITED SCHEDULE OF REVENUES BY SOURCE, EXPENDITURES BY FUNCTION, AND OTHER CHANGES**  
For the Period July 1, 1996 through September 30, 1996  
With Comparative Figures for the Period ended September 30, 1995

	1996-97			1995-96	
	Current Budget	Fiscal Year Actual	Actual % Budget	Fiscal Year Actual	Actual % Budget
<b>REVENUES</b>					
Food services	\$ 3,949,954	\$ 2,072,503	52%	\$ 1,810,803	48%
Housing services	4,885,963	2,166,253	44%	2,085,033	46%
Bookstore	3,008,097	1,261,343	42%	1,124,711	43%
Curris center	190,000	78,400	41%	77,819	34%
University parking	223,380	180,533	81%	96,891	57%
Racer card administration	73,233	36,718	50%	34,123	49%
Vending and manual commissions	92,600	4,217	5%	18,986	22%
Miscellaneous	-	-	N/A	-	N/A
Prior year carryovers and encumbrances (Note 5)	631,317	-	N/A	-	N/A
<b>Total revenues</b>	<b>\$ 13,054,544</b>	<b>\$ 5,799,967</b>	<b>44%</b>	<b>\$ 5,248,366</b>	<b>44%</b>
<b>EXPENDITURES (Note 7)</b>					
Food services	\$ 3,809,016	\$ 622,431	16%	\$ 558,526	16%
Housing services	4,581,839	1,056,022	23%	915,094	21%
Bookstore	2,624,464	1,047,569	40%	956,223	41%
Curris center	574,068	153,109	27%	158,533	28%
University parking	501,210	57,074	11%	36,237	11%
Racer card administration	63,200	21,275	34%	27,497	39%
Vending and manual commissions	190,689	28,709	15%	17,791	10%
Miscellaneous	-	-	N/A	-	N/A
<b>Total expenditures</b>	<b>\$ 12,344,486</b>	<b>\$ 2,986,189</b>	<b>24%</b>	<b>\$ 2,669,901</b>	<b>24%</b>
<b>TRANSFERS IN (OUT) AND OTHER CHANGES</b>					
Mandatory transfers					
Housing and dining bond sinking fund	\$ (632,738)	\$ (314,391)	N/A	\$ (308,627)	N/A
Non-mandatory transfers					
Transfers to unexpended plant fund (Note 8)	-	-	N/A	(51,000)	N/A
Transfers from unexpended plant fund (Note 8)	-	-	N/A	-	N/A
Transfers from CERR (Note 8)	-	-	N/A	-	N/A
Transfers to educational and general	(77,320)	(77,320)	N/A	(77,320)	N/A
Transfers from educational and general	-	-	N/A	-	N/A
Other changes	-	-	N/A	-	N/A
<b>Total transfers and other changes</b>	<b>\$ (710,058)</b>	<b>\$ (391,711)</b>	<b>N/A</b>	<b>\$ (436,947)</b>	<b>N/A</b>
<b>Total expenditures, transfers and other changes</b>	<b>\$ 13,054,544</b>	<b>\$ 3,377,900</b>	<b>26%</b>	<b>\$ 3,106,848</b>	<b>26%</b>
<b>Net change in fund balance</b>		<b>\$ 2,422,067</b>		<b>\$ 2,141,518</b>	



MURRAY STATE UNIVERSITY  
**CURRENT UNRESTRICTED FUNDS - AUXILIARIES**  
**UNAUDITED SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER CHANGES BY UNIT**  
For the Period July 1, 1996 through September 30, 1996  
With Comparative Figures for the Period Ended September 30, 1995

	Food Services	Housing Services	Bookstore	Curris Center	University Parking	Racer Card Admin	Vending and Manual Commissions	Misc	Prior Year Carryovers & Enc	Total
<b>1996-97</b>										
<b>REVENUES</b>										
Current Budget	\$ 3,949,954	\$ 4,885,963	\$ 3,008,097	\$ 190,000	\$ 223,380	\$ 73,233	\$ 92,600	\$ -	\$ 631,317	\$ 13,054,544
Fiscal Year Actual	2,072,503	2,166,253	1,261,343	78,400	180,533	36,718	4,217	-	-	5,799,967
Actual % Budget	52%	44%	42%	41%	81%	50%	5%	N/A	N/A	44%
<b>DISBURSEMENTS</b>										
Current Budget	\$ 3,809,016	\$ 4,581,839	\$ 2,624,464	\$ 574,068	\$ 501,210	\$ 63,200	\$ 190,689	\$ -	\$ -	\$ 12,344,486
Fiscal Year Actual	622,431	1,056,022	1,047,569	153,109	57,074	21,275	28,709	-	-	2,986,189
Actual % Budget	16%	23%	40%	27%	11%	34%	15%	N/A	N/A	24%
<b>TRANSFERS IN (OUT) AND OTHER CHANGES</b>	\$ (13,777)	\$ (300,614)	\$ (77,320)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (391,711)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,436,295</u>	<u>\$ 809,617</u>	<u>\$ 136,454</u>	<u>\$ (74,709)</u>	<u>\$ 123,459</u>	<u>\$ 15,443</u>	<u>\$ (24,492)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,422,067</u>
<b>1995-96</b>										
<b>REVENUES</b>										
Fiscal Year Actual	\$ 1,810,803	\$ 2,085,033	\$ 1,124,711	\$ 77,819	\$ 96,891	\$ 34,123	\$ 18,986	\$ -	\$ -	\$ 5,248,366
Actual % Budget	48%	46%	43%	34%	57%	49%	22%	N/A	N/A	44%
<b>DISBURSEMENTS</b>										
Fiscal Year Actual	\$ 558,526	\$ 915,094	\$ 956,223	\$ 158,533	\$ 36,237	\$ 27,497	\$ 17,791	\$ -	\$ -	\$ 2,669,901
Actual % Budget	16%	21%	41%	28%	11%	39%	10%	N/A	N/A	24%
<b>TRANSFERS IN (OUT) AND OTHER CHANGES</b>	\$ (14,167)	\$ (294,460)	\$ (77,320)	\$ -	\$ (51,000)	\$ -	\$ -	\$ -	\$ -	\$ (436,947)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,238,110</u>	<u>\$ 875,479</u>	<u>\$ 91,168</u>	<u>\$ (80,714)</u>	<u>\$ 9,654</u>	<u>\$ 6,626</u>	<u>\$ 1,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,141,518</u>

**MURRAY STATE UNIVERSITY**  
**CURRENT RESTRICTED FUNDS**  
**UNAUDITED SCHEDULE OF REVENUES BY SOURCE, EXPENDITURES BY FUNCTION, AND OTHER CHANGES**  
For the Period July 1, 1996 through September 30, 1996  
With Comparative Figures for the Period Ended September 30, 1995

	1996-97			1995-96	
	Current Budget	Fiscal Year Actual	Actual % Budget	Fiscal Year Actual	Actual % Budget
<b>REVENUES</b>					
Federal funds					
Pell	\$ 1,462,680	\$ 1,796,624	123%	\$ 1,641,795	88%
SEOG	315,957	208,175	66%	207,900	65%
Workstudy	475,257	29,030	6%	43,138	9%
Grants and contracts	3,834,762	634,871	17%	625,991	17%
Total Federal funds	\$ 6,088,656	\$ 2,668,700	44%	\$ 2,518,824	40%
State grants and contracts	2,296,450	845,915	37%	634,920	35%
Other grants and contracts	133,284	53,499	40%	60,751	23%
Total current restricted revenues	\$ 8,518,390	\$ 3,568,114	42%	\$ 3,214,495	38%
<b>EXPENDITURES</b>					
Educational and general					
Instruction	\$ 1,909,056	\$ 463,665	24%	\$ 415,763	24%
Research	999,298	134,962	14%	102,170	22%
Public service	393,952	160,948	41%	102,375	30%
Library	2,993	2,993	100%	3,905	312%
Academic support	1,071,052	193,106	18%	144,352	11%
Student services	235,103	35,649	15%	41,871	24%
Institutional support	19,859	10,927	55%	13,055	50%
Operation & maint of plant	1,226,562	-	0%	-	0%
Scholarships and financial aid	2,656,939	2,562,288	96%	2,385,582	76%
Total educational and general	\$ 8,514,814	\$ 3,564,538	42%	\$ 3,209,073	38%
Auxiliary enterprises	\$ 3,576	\$ 3,576	100%	\$ 5,422	261%
Total current restricted expenditures	\$ 8,518,390	\$ 3,568,114	42%	\$ 3,214,495	38%

MURRAY STATE UNIVERSITY  
CURRENT UNRESTRICTED FUNDS  
UNAUDITED SCHEDULE OF REVENUES  
For the Period July 1, 1996 through September 30, 1996  
With Comparative Figures for the Period Ended September 30, 1995

	<u>1996-97</u>	<u>1995-96</u>
<b>EDUCATIONAL AND GENERAL</b>		
Tuition and fees		
Fall tuition	\$ 9,467,270	\$ 8,642,041
Spring tuition	5,217	4,573
Summer II tuition	630,549	484,054
Summer I tuition	10,610	5,156
Miscellaneous tuition	188	307
Student activity fees	906,152	863,668
Other fees	312,947	160,510
Total tuition and fees	<u>\$ 11,332,933</u>	<u>\$ 10,160,309</u>
State appropriations	\$ 12,535,100	\$ 11,983,700
Total state appropriations	<u>\$ 12,535,100</u>	<u>\$ 11,983,700</u>
Indirect cost reimbursements		
Federal and state indirect cost reimbursements	\$ 34,338	\$ 28,416
Total indirect cost reimbursements	<u>\$ 34,338</u>	<u>\$ 28,416</u>
Sales and services of educational departments		
Archeology service center	\$ 1,670	\$ 150
Art cash sales	5,600	4,459
Belize tropical escape	-	579
Biology station income	377	2,711
Breathitt veterinary center	23,447	21,443
Chemical services	1,100	-
Child development center	4,800	6,300
Clinical services	(2,951)	7,320
English language institute	240,434	166,625
Environmental education workshop	-	1,498
Foreign language service	-	10
Hong Kong MBA	89,425	-
Journalism workshop	-	30
Keyboard Recruiting	-	231
Kentucky Institute of International Studies (KIIS)	277,653	111,421
Learning center fees	8,176	-
MSU news advertising	11,435	10,908
MSU x-ray lab	2,555	1,120
Pediatric assessment	-	3,240
Safety engineering & health workshop	-	60
School service office	100	-
Shield	34,693	32,794
Theatre revenue	939	1,273
TV studio	55	420
University farms	33,431	34,881
Waterfield center	10	100
Total sales and services of educational departments	<u>\$ 732,949</u>	<u>\$ 407,573</u>

MURRAY STATE UNIVERSITY  
 CURRENT UNRESTRICTED FUNDS  
 UNAUDITED SCHEDULE OF REVENUES (cont.)  
 For the Period July 1, 1996 through September 30, 1996  
 With Comparative Figures for the Period Ended September 30, 1995

Educational and General (cont.)	1996-97	1995-96
Other Sources		
Athletics	\$ 84,413	\$ 41,796
Athletics - concessions	16,118	7,699
Athletics - guarantees	1,000	-
Athletics - marketing	8,346	(250)
Athletic camps		
Baseball	150	-
Golf	1,400	-
Men's basketball	4,314	4,500
Ladies' basketball	-	75
Soccer	3,900	-
Tennis	11,090	-
Athletics - NCAA revenue	20,246	16,244
Athletics - programs	3,235	1,009
Bad debt expense recovery	42,686	9,404
Boots Randolph	125	-
Central stores	274	12,246
Chemistry breakage fees	(55)	41
Community education	73	128
Conferences and workshops	36,303	47,760
Consolidated educational revenue interest	211,323	200,950
Cooperative education/placement income	3,499	1,314
Counseling and testing	2,978	2,360
Environmental consortium of Mid-America	1,750	2,750
Faculty resource center	570	1,698
Festival of champions	371	536
Graphic arts technology	2,158	390
Hazardous materials training	22,756	22,565
International student orientation	1,866	1,410
Intramural income	1,084	983
Kentucky honors roundtable	-	750
Library - census microfilm	-	156
Library - copy service	9,290	10,626
Library - fines	2,179	3,113
Library - inter library loan	485	140
Library - other income	1,256	4,355
Livestock and exposition center	4,380	3,979
Music recital income	98	484
Operating fund interest	32,392	32,328
Other revenue	29,287	13,048
Post office box rental	2,293	3,061
Post office contract	1,333	1,333
Printing	12,341	12,480

MURRAY STATE UNIVERSITY  
 CURRENT UNRESTRICTED FUNDS  
 UNAUDITED SCHEDULE OF REVENUES (cont.)  
 For the Period July 1, 1996 through September 30, 1996  
 With Comparative Figures for the Period Ended September 30, 1995

	1996-97	1995-96
<b>Educational and General (cont.)</b>		
Other Sources		
Psychology copy account	\$ -	\$ 188
Quad state	64	-
Recycling program	970	3,136
Regensburg exchange	58,764	51,245
Rentals	3,600	909
Rodeo income	1,056	-
ROTC equipment	-	139
Sale of surplus property	4,143	30,654
String prep program	2,363	2,844
Student government association	360	6,682
Summer challenge	2,378	-
Summer orientation	30,010	23,626
Technology center	22,761	14,982
Telecommunications commission	7,176	9,044
Wellness center	1,740	-
West Kentucky environmental education consortium	5,187	7,316
Wickliffe Mounds gift shop	2,727	1,910
Wickliffe Mounds research center	10,493	10,323
Young authors camp	80	-
Total other sources	<u>\$ 731,179</u>	<u>\$ 624,459</u>
<b>Total educational and general</b>	<u><b>\$ 25,366,499</b></u>	<u><b>\$ 23,204,457</b></u>
 <b>AUXILIARY ENTERPRISES</b>		
Food services	\$ 2,072,503	\$ 1,810,803
Housing services	2,166,253	2,085,033
Bookstore	1,261,343	1,124,711
Curris center	78,400	77,819
University parking - fines	30,585	24,040
University parking - permits	148,245	71,210
University parking - other	1,703	1,641
Racer card administration	36,718	34,123
Vending and manual commissions	4,217	18,986
<b>Total auxiliary enterprises</b>	<u><b>\$ 5,799,967</b></u>	<u><b>\$ 5,248,366</b></u>
<b>Total current unrestricted revenues</b>	<u><b>\$ 31,166,466</b></u>	<u><b>\$ 28,452,823</b></u>

MURRAY STATE UNIVERSITY  
PLANT FUNDS  
UNAUDITED BALANCE SHEET  
As of September 30, 1996  
With Comparative Figures As of September 30, 1995

	1996-97					
	Unexpended Plant	Renewal And Replacement	Retirement Of Indebtedness	Investment In Plant	Total	1995-96
<b>ASSETS</b>						
Cash	\$ 3,724,995	\$ 220,848	\$ -	\$ -	\$ 3,945,843	\$ 6,175,902
Investments	899,658	1,311,785	4,230,623	-	6,442,066	6,342,597
Interest receivable	10,222	27,952	112,430	-	150,604	153,422
Accounts receivable	-	-	-	-	-	645,476
Discount on bonds	110,999	-	-	347,715	458,714	483,935
Premium on bonds	-	-	-	(6,716)	(6,716)	-
Due from other funds	-	425,000	-	-	425,000	-
Property, plant and equipment	-	-	-	156,573,007	156,573,007	148,719,229
<b>Total assets</b>	<b>\$ 4,745,874</b>	<b>\$ 1,985,585</b>	<b>\$ 4,343,053</b>	<b>\$ 156,914,006</b>	<b>\$ 167,988,518</b>	<b>\$ 162,520,561</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Interest payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	17,181
Bonds payable	3,022,044	-	-	28,210,099	31,232,143	32,891,655
Obligations capital leases	-	-	-	134,242	134,242	116,127
<b>Total Liabilities</b>	<b>\$ 3,022,044</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,344,341</b>	<b>\$ 31,366,385</b>	<b>\$ 33,024,963</b>
<b>Fund Balance</b>						
Beginning fund balance - July 1	\$ 3,034,435	\$ 2,501,204	\$ 4,235,912	\$ 127,037,409	\$ 136,808,960	\$ 128,462,000
Additions/(deductions) - YTD	(1,310,605)	(515,619)	107,141	1,532,256	(186,827)	1,033,598
<b>Total fund balance</b>	<b>\$ 1,723,830</b>	<b>\$ 1,985,585</b>	<b>\$ 4,343,053</b>	<b>\$ 128,569,665</b>	<b>\$ 136,622,133</b>	<b>\$ 129,495,598</b>
<b>Total liabilities and fund balance</b>	<b>\$ 4,745,874</b>	<b>\$ 1,985,585</b>	<b>\$ 4,343,053</b>	<b>\$ 156,914,006</b>	<b>\$ 167,988,518</b>	<b>\$ 162,520,561</b>

MURRAY STATE UNIVERSITY  
PLANT FUNDS  
UNAUDITED STATEMENT OF CHANGES IN FUND BALANCE  
For the Period July 1, 1996 through September 30, 1996  
With Comparative Figures for the Period Ended September 30, 1995

	1996-97					1995-96
	Unexpended Plant	Renewal and Replacement	Retirement of Indebtedness	Investment in Plant	Total	
<b>REVENUES AND OTHER ADDITIONS:</b>						
Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655,587
Construction in progress	-	-	-	-	-	64,559
Equipment	-	-	-	604,230	604,230	-
Improvements other than buildings	-	-	-	-	-	-
Land	-	-	-	-	-	-
Library books	-	-	-	684,394	684,394	626,668
Donated assets	-	-	-	-	-	-
Retirement of indebtedness	-	-	-	510,000	510,000	277,707
Emergency fire repair funds	30,000	-	-	-	30,000	-
Interest income	7,830	24,674	69,772	-	102,276	103,859
Proceeds from bonds	-	-	-	-	-	-
State funds	-	-	-	-	-	-
Cost of bond issuance	-	-	-	-	-	-
Reduction in lease obligations	-	-	-	-	-	-
Other additions	-	-	-	-	-	2,647
<b>Total revenues and other additions</b>	<b>\$ 37,830</b>	<b>\$ 24,674</b>	<b>\$ 69,772</b>	<b>\$ 1,798,624</b>	<b>\$ 1,930,900</b>	<b>\$ 1,731,027</b>
<b>EXPENDITURES AND DEDUCTIONS:</b>						
Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	1,567,342	-	-	-	1,567,342	354,631
Equipment	-	-	-	264,614	264,614	995
Library books	-	-	-	1,754	1,754	30,780
Other assets (leases)	-	-	-	-	-	-
State funds	-	-	-	-	-	-
Debt increase from refunding	-	-	-	-	-	-
Retirement of indebtedness	-	-	510,000	-	510,000	525,207
Interest on indebtedness	-	-	(233,492)	-	(233,492)	(211,032)
New bond indebtedness	-	-	-	-	-	-
Cost of bond issuance	-	-	-	-	-	(97,120)
Other deductions	-	511	514	-	1,025	1,467
<b>Total expenditures and deductions</b>	<b>\$ 1,567,342</b>	<b>\$ 511</b>	<b>\$ 277,022</b>	<b>\$ 266,368</b>	<b>\$ 2,111,243</b>	<b>\$ 604,928</b>
<b>TRANSFERS AMONG FUNDS:</b>						
Mandatory:						
Bond principal and interest	\$ -	\$ -	\$ 314,391	\$ -	\$ 314,391	\$ 486,638
Note principal and interest	-	-	-	-	-	-
Nonmandatory:						
Transfer from unrestricted current to unexpended plant	3,150	-	-	-	3,150	276,411
Transfer from restricted current to unexpended plant	215,757	-	-	-	215,757	-
Transfer from unexpended plant to investment in plant	-	-	-	-	-	-
Transfer from unexpended plant to unrestricted current	-	-	-	-	-	(5,411)
Transfer from unrestricted current to renewal and repl	-	-	-	-	-	-
Transfer from renewal and replacement to unrestricted	-	(539,782)	-	-	(539,782)	(850,139)
<b>Total transfers</b>	<b>\$ 218,907</b>	<b>\$ (539,782)</b>	<b>\$ 314,391</b>	<b>\$ -</b>	<b>\$ (6,484)</b>	<b>\$ (92,501)</b>
<b>Net increase(decrease) - YTD</b>	<b>\$ (1,310,605)</b>	<b>\$ (515,619)</b>	<b>\$ 107,141</b>	<b>\$ 1,532,256</b>	<b>\$ (186,827)</b>	<b>\$ 1,033,598</b>
<b>Fund balance - beginning July 1</b>	<b>\$ 3,034,435</b>	<b>\$ 2,501,204</b>	<b>\$ 4,235,912</b>	<b>\$ 127,037,409</b>	<b>\$ 136,808,960</b>	<b>\$ 128,462,000</b>
<b>Total fund balance - ending September 30</b>	<b>\$ 1,723,830</b>	<b>\$ 1,985,585</b>	<b>\$ 4,343,053</b>	<b>\$ 128,569,665</b>	<b>\$ 136,622,133</b>	<b>\$ 129,495,598</b>

**MURRAY STATE UNIVERSITY**  
**PLANT FUNDS**  
**UNAUDITED UNEXPENDED REVENUES AND EXPENDITURES**  
For the Period July 1, 1996 through September 30, 1996

	Revised Budget	Fiscal Year To Date	Project Year To Date	Encumbrances	Balance Available
<b>REVENUES</b>					
Revenue bond proceeds	\$ 6,421,590	\$ 24,535	\$ 6,360,749	\$ -	\$ 60,841
Local funds	4,589,782	3,150	4,451,346	-	138,436
Investment income	1,136,069	26,927	1,822,295	-	(686,226)
Other State funds	2,743,555	646,020	2,957,509	-	(213,954)
Federal funds	57,946	215,757	339,721	-	(281,775)
Private funds	43,500	-	43,500	-	-
Other	-	-	-	-	-
State appropriations	343	-	343	-	-
<b>Total Revenues</b>	<b>\$ 14,992,785</b>	<b>\$ 916,389</b>	<b>\$ 15,975,463</b>	<b>\$ -</b>	<b>\$ (982,678)</b>
<b>EXPENDITURES</b>					
Architect & engineering fees	\$ 1,523,831	\$ 12,668	\$ 1,014,162	\$ 284,035	\$ 225,634
General construction	10,826,446	1,549,713	7,438,556	2,284,990	1,102,900
Movable equipment/furniture	-	-	-	-	-
Land/right of way	1,236,910	-	1,233,410	-	3,500
Legal & administrative costs	187,606	-	153,962	30,000	3,644
Transfer for debt service	782,938	-	901,619	-	(118,681)
Miscellaneous expense	10,000	-	2,800	-	7,200
Agency labor	130,082	4,149	73,684	-	56,398
Agency materials	353,341	812	330,432	-	22,909
Arbitrage rebate transfer	-	-	163,249	-	(163,249)
Contingency	1,110,248	-	-	-	1,110,248
<b>Total Expenditures</b>	<b>\$ 16,161,402</b>	<b>\$ 1,567,342</b>	<b>\$ 11,311,874</b>	<b>\$ 2,599,025</b>	<b>\$ 2,250,503</b>
<b>Net Increase (Decrease)</b>	<b>\$ (1,168,617)</b>	<b>\$ (650,953)</b>	<b>\$ 4,663,589</b>	<b>\$ (2,599,025)</b>	<b>\$ (3,233,181)</b>



MURRAY STATE UNIVERSITY  
PLANT FUNDS  
UNAUDITED SCHEDULE OF UNEXPENDED REVENUES AND EXPENDITURES  
For the Period July 1, 1996 through September 30, 1996

PROJECT	Allotments			Expenditures			Outstanding Encumbrances	Balance 09/30/96
	Prior to July 1, 1996	Received 1996-97	Total	Prior to July 1, 1996	Expenditures 1996-97	Total		
100 Clearing	\$ 61,196	\$ -	61,196	\$ -	\$ -	-	\$ -	61,196
131 Land acquisitions	1,294,690	-	1,294,690	1,287,546	-	1,287,546	-	7,144
300 Con Ed Series E & F clearing	989,716	-	989,716	882,764	-	882,764	-	106,952
400 Con Ed Series G clearing	-	-	-	83,542	-	83,542	-	(83,542)
405 Renovate Old Fine Arts building	3,950,000	-	3,950,000	3,020,984	447,167	3,468,151	470,294	11,555
410 National Boy Scout Museum Phase IV	36,814	-	36,814	28,064	-	28,064	8,750	-
500 Project 48 bonds clearing	-	-	-	172,368	-	172,368	-	(172,368)
503 Hazardous waste storage	85,000	-	85,000	85,000	-	85,000	-	-
534 Fire alarm replacement and compressed gas storage	67,500	-	67,500	67,500	-	67,500	-	-
551 Hancock Biological Station-cabins,bathhouse	89,223	-	89,223	89,223	-	89,223	-	-
600 Project 50 bonds clearing	-	-	-	26,020	-	26,020	-	(26,020)
605 Expo Center roof replacement	271,000	-	271,000	229,967	25,926	255,893	1,362	13,745
624 Shower/eyewash station	31,500	-	31,500	31,213	54	31,267	-	233
626 E&G fire horn upgrade	43,500	-	43,500	11,188	-	11,188	-	32,312
637 Faculty Hall elevator renovation	340,000	-	340,000	284,760	22,287	307,047	7,049	25,904
641 Renovate Woods Hall	510,000	-	510,000	366,238	30	366,268	122,499	21,233
645 Masonry defects - Curris Center	208,707	-	208,707	208,707	-	208,707	-	-
706 Equine instruction facility	43,500	-	43,500	6,361	260	6,621	1	36,878
708 Roof replacement - General Services Bldg	250,000	-	250,000	236,720	-	236,720	-	13,280
717 Fire damage cleanup	1,500,000	30,000	1,530,000	1,459,140	26,978	1,486,118	41,780	2,102
723 Museum enhancement - Wickliffe Mounds	100,000	-	100,000	9,827	308	10,135	-	89,865
724 Sprinkler system - Lovett Auditorium	154,875	3,150	158,025	65,878	56,894	122,772	31,477	3,776
725 Blackburn Science research modernization	1,284,508	-	1,284,508	170,279	376,568	546,847	1,230,744	(493,083)
726 Window replacement - Lovett Auditorium	88,000	-	88,000	69,000	-	69,000	-	19,000
727 Parking lot modifications - 16th & Hamilton	123,464	-	123,464	123,464	-	123,464	-	-
728 Winslow Cafeteria renovation	750,000	-	750,000	352,886	183,788	536,674	159,239	54,087
730 BVC building system improvements	133,726	-	133,726	117,643	-	117,643	5,714	10,369
732 Doyle elevator renovation	15,070	206,080	221,150	139	-	139	208,000	13,011
733 Wilson foundation waterproofing	5,000	-	5,000	2,018	-	2,018	-	2,982
734 Sparks exterior repairs	81,600	-	81,600	6,437	677	7,114	56,984	17,502
735 Carr Health - pool liner	50,000	-	50,000	3,501	-	3,501	23,000	23,499
736 Pogue exterior paint	40,411	-	40,411	33,914	-	33,914	-	6,497
737 Quadrangle lighting replacement	100,000	-	100,000	76,831	4,907	81,738	-	18,262

MURRAY STATE UNIVERSITY  
PLANT FUNDS  
UNAUDITED SCHEDULE OF UNEXPENDED REVENUES AND EXPENDITURES  
For the Period July 1, 1996 through September 30, 1996

PROJECT	Allotments			Expenditures			Outstanding Encumbrances	Balance 09/30/96
	Prior to July 1, 1996	Received 1996-97	Total	Prior to July 1, 1996	Expenditures 1996-97	Total		
738 Doyle fine arts complex improvements	\$ 50,000	\$ -	50,000	\$ -	\$ -	\$ -	\$ -	50,000
739 Carr health windows - lead abate & paint	150,000	-	150,000	109,877	875	110,752	-	39,248
740 Regents condensate system repair	136,555	-	136,555	25,318	60,951	86,269	8,499	41,787
741 Hancock boat dock	95,000	-	95,000	195	-	195	79,680	15,125
742 Football field conversion	550,000	-	550,000	20	359,451	359,471	143,953	46,576
743 Motor pool diesel tank	12,000	-	12,000	-	221	221	-	11,779
744 Central plant fuel tank	50,000	-	50,000	-	-	-	-	50,000
800 Project 57 revenue bond proceeds	-	-	0	-	-	-	-	0
818 E & G smoke detectors	321,000	-	321,000	-	-	-	-	321,000
821 High volt oil switch	690,000	-	690,000	-	-	-	-	690,000
<b>Total</b>	<b>\$ 14,753,555</b>	<b>\$ 239,230</b>	<b>14,992,785</b>	<b>\$ 9,744,532</b>	<b>\$ 1,567,342</b>	<b>\$ 11,311,874</b>	<b>\$ 2,599,025</b>	<b>1,081,886</b>

MURRAY STATE UNIVERSITY  
NOTES TO FINANCIAL REPORT  
For the Period July 1, 1996 through September 30, 1996

**Note 1. Summary of Significant Accounting Policies**

*Accounting Basis*

The annual financial statements of Murray State University are prepared on an accrual basis of accounting except for depreciation on physical plant and equipment.

Tuition and fee revenues for a semester are recognized upon recording the receivable, normally before or shortly after the semester begins. Revenues of summer school academic terms are reported in the fiscal year in which the programs predominately fall. Therefore deferred tuition revenues are recorded for terms which have not begun at year-end. State appropriations revenues are recognized upon receipt.

Expenditures are generally recognized, for interim reporting, in the period expended rather than the period incurred. Some liability accounts on the Balance Sheet are not adjusted until year-end, at which time all expenditures are accrued.

*Fund Accounting*

To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounts of the University are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various activities are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified.

Current funds are used primarily to account for the transactions affecting the general operation of the University. These resources are expendable for performing the primary and support objectives of the University. Restricted gifts, grants, appropriations, and other restricted resources are accounted for in the appropriate restricted funds.

All gains and losses arising from the sale, collection or other disposition of investments and other noncash assets are accounted for in the funds which owned such assets. Ordinary income derived from investments, receivables, and the like is accounted for in the fund owning such assets.

**Note 2. Deposits and Investments**

The University currently uses commercial banks and the Commonwealth of Kentucky for its depositories. Deposits with commercial banks are covered by Federal depository insurance or collateral held by the bank in the University's name. At the state, the University's accounts are pooled with other agencies of the state. These state pooled deposits are substantially covered by Federal depository insurance or by collateral held by the state in the state's name. The investments of the University not held in the state investment pool are insured or registered, or are held by the University or by an agent in the University's name.

**Note 3. Inventories**

Inventories are stated at the lower of cost, using first-in-first-out valuation, or market.

MURRAY STATE UNIVERSITY  
NOTES TO FINANCIAL REPORT (cont.)  
For the Period July 1, 1996 through September 30, 1996

**Note 4. Murray State University Foundation, Inc.**

Murray State University Foundation, Inc. (the Foundation) is a Kentucky not-for-profit corporation formed to receive, invest, and expend funds for the enhancement and improvement of the University.

The Foundation prepares and issues its own financial statements.

**Note 5. Prior Year Carryovers and Encumbrances**

Budget Revisions for Prior Year Carryovers and Prior Year Encumbrance Carryovers are based on actual balances brought forward to date from fiscal year 95/96.

**Note 6. Tuition and Fees and Scholarships**

Incentive Grants of \$672,546 have been included as both tuition and as scholarship expenditures.

**Note 7. Unrestricted Expenditures**

In addition to expenditures, outstanding encumbrances as of September 30, 1996 are \$805,630 for Educational and General and \$68,109 for Auxiliary Enterprises.

**Note 8. Non-Mandatory Transfers from/(to) Plant Funds**

	Unrestricted Educational and General	Unrestricted Auxiliaries	Restricted Educational and General
I. Transfer from Consolidated Educational Renewal and Replacement Fund:			
a. 6/30 CERR balances in renovation accounts	\$ 330,222	\$ -	\$ -
b. Pogue library - Jesse Stuart room	12,500	-	-
c. Winslow mall extension	11,007	-	-
d. Lovett stage lighting & floor covering	21,000	-	-
e. New fine arts upper intake air louvers	10,000	-	-
f. Expo center - gas boiler	110,000	-	-
g. Lovett auditorium - sprinkler system	3,150	-	-
h. Wall pack fixture replacement	28,200	-	-
i. Carr health pool - chemical storage room	13,703	-	-
Total	<u>\$ 539,782</u>	<u>\$ -</u>	<u>\$ -</u>
II. Transfer (to) Unexpended Plant Fund:			
a. Lovett auditorium - spinkler system	\$ (3,150)	\$ -	\$ -
b. Blackburn science modernization	-	-	(215,477)
c. Wickliffe mounds museum enhancement	-	-	(280)
Total	<u>\$ (3,150)</u>	<u>\$ -</u>	<u>\$ (215,757)</u>



**Murray State University**

# **Investment Report**

FOR THE PERIOD

July 1, 1996 - September 30, 1996

**SUBMITTED TO  
THE PRESIDENT  
AND  
BOARD OF REGENTS**

December 6, 1996

**Murray State University**

P O BOX 9  
MURRAY KY 42071-0009

November 13, 1996

President Kern Alexander  
Members of the Board of Regents  
Murray, KY 42071

Dear President Alexander and Members of the Board:

Attached is the Investment Report of Murray State University for the period  
July 1, 1996 through September 30, 1996.

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*Thomas W. Denton*

Thomas W. Denton  
Interim Vice President for  
Administrative Services

emd

MURRAY STATE UNIVERSITY  
**SUMMARY OF INVESTMENT EARNINGS BY FUND**  
 For the Period July 1, 1996 through September 30, 1996

	<u>Current Funds</u>	<u>Endowment Funds</u>	<u>Plant Funds</u>	<u>Total</u>
Investment Earnings to Date	\$ <u>288,549</u>	\$ <u>24,993</u>	\$ <u>101,771</u>	\$ <u>415,313</u>
Composite Interest Rates	<u>7.31%</u>	<u>5.07%</u>	<u>5.92%</u>	<u>6.83%</u>

**MURRAY STATE UNIVERSITY  
SUMMARY OF INVESTMENT EARNINGS  
BY FUND AND FUND ACCOUNTS**

For the Period July 1, 1996 through September 30, 1996  
With Comparative Figures for Period Ended September 30, 1995

	<u>Earnings To Date 1996-97</u>	<u>Earnings To Date 1995-96</u>
<b>CURRENT FUNDS</b>		
Local Bank Accounts Interest (Peoples Bank)	\$ 63,937	\$ 64,098
Consolidated Educational Revenue Fund (Frankfort)	211,323	185,449
Housing and Dining Revenue Fund (Frankfort)	<u>13,289</u>	<u>13,734</u>
Total Current Funds	\$ <u>288,549</u>	\$ <u>263,281</u>
<b>ENDOWMENT FUNDS</b>		
Endowed Chair for Ecosystems Studies	\$ 11,822	\$ 12,074
Smith Scholarship Endowment	10,476	11,074
Other Endowment Funds	<u>2,695</u>	<u>1,933</u>
Total Endowment Fund	\$ <u>24,993</u>	\$ <u>25,081</u>
<b>PLANT FUNDS</b>		
Consolidated Educational Renewal and Replacement (Frankfort)	\$ 14,778	\$ 26,238
Unexpended Plant (Frankfort)		
Series G Bonds - Capital Construction Clearing	5,310	7,311
Series H Bonds - Capital Construction Clearing	2,520	2,195
Retirement of Indebtedness (Trustee-PNC Bank)		
Consolidated Educational Bond Reserve Sinking Fund	57,643	57,622
Consolidated Educational Series G Arbitrage Rebate Fund	7	8
Housing and Dining Bond Reserve Sinking Fund	11,618	14,254
Housing and Dining Repair and Maintenance Fund	<u>9,895</u>	<u>10,712</u>
Total Plant Funds	\$ <u>101,771</u>	\$ <u>118,340</u>



MURRAY STATE UNIVERSITY  
CURRENT FUNDS  
SCHEDULE OF INVESTMENT ACTIVITIES  
For the Period July 1, 1996 through September 30, 1996

Type of Investment	Maturity	Term	Days Interest Earned	Fiscal YTD Annualized Yield	Fiscal YTD Average Balance	1996-97 Earnings
<b>EDUCATIONAL AND GENERAL</b>						
<u>Interest on Local Bank Accounts (Note 4)</u>						
Peoples Bank of Murray		continuous		Daily rate per overnight Peoples Bank balances		\$ 63,937
Total Local Bank Accounts interest earnings to date						\$ <u>63,937</u>
<u>Consolidated Educational Revenue Fund (Frankfort)</u>						
State Investment Pool	09/30/96	92 days	92 days	7.130%	\$ 11,850,548	\$ 211,323
Total Consolidated Educational Revenue Fund interest earnings to date						\$ <u>211,323</u>
Total Current Funds Educational and General interest earnings to date						\$ <u>275,260</u>
<b>AUXILIARY ENTERPRISES</b>						
<u>Housing and Dining Revenue Fund (Frankfort)</u>						
State Investment Pool	09/30/96	92 days	92 days	7.600%	\$ 699,482	\$ 13,289
Total Housing and Dining Revenue Fund interest earnings to date						\$ <u>13,289</u>
Total Auxiliary Enterprises interest earnings to date						\$ <u>13,289</u>
Total Current Funds interest earnings to date						\$ <u>288,549</u>

MURRAY STATE UNIVERSITY  
ENDOWMENT FUNDS  
SCHEDULE OF INVESTMENT ACTIVITIES  
For the Period July 1, 1996 through September 30, 1996

Type of Investment	Maturity	Term	Days Interest Earned	Effective Yield	Carrying Value at 09/30/96	1996-97 Earnings
<b>ENDOWED CHAIR FOR ECOSYSTEMS STUDIES (Note 7)</b>						
Certificate of Deposit	11/17/96	365 days	92 days	5.750%	\$ 300,000	\$ 4,348
Certificate of Deposit	11/17/96	365 days	92 days	5.550%	240,000	3,357
Certificate of Deposit	11/17/96	365 days	92 days	5.350%	160,000	2,158
Foundation Investment Pool	09/30/96	92 days	92 days	4.900%	165,432	1,959
Total Endowed Chair interest earnings to date						<u>\$ 11,822</u>

**SMITH SCHOLARSHIP ENDOWMENT (Note 7)**

Investment	Carrying Value at 09/30/96	1996-97 Earnings
Foundation Investment Pool	\$ 868,459	\$ 10,476
Total earnings on Smith Endowment		<u>\$ 10,476</u>

**OTHER ENDOWMENT FUNDS**

Investment	Carrying Value at 09/30/96	1996-97 Earnings
Foundation Investment Pool	\$ 249,458	\$ 2,695
Total Other Endowment Funds		<u>\$ 2,695</u>
Total Endowment Funds earnings to date		<u>\$ 24,993</u>

MURRAY STATE UNIVERSITY  
PLANT FUNDS  
SCHEDULE OF INVESTMENT ACTIVITIES  
For the Period July 1, 1996 through September 30, 1996

Type of Investment	Maturity	Term	Days Interest Earned	Fiscal YTD Annualized Yield	Fiscal YTD Average Balance	1996-97 Earnings
<b>CONSOLIDATED EDUCATIONAL RENEWAL AND REPLACEMENT (CERR)</b>						
State Investment Pool	09/30/96	92 days	92 days	6.350%	\$ 931,626	\$ 14,778
Total Consolidated Educational Renewal and Replacement interest earnings to date						\$ 14,778
<b>UNEXPENDED PLANT FUND</b>						
<u>Series G Bonds - Capital Construction Clearing - Frankfort (Note 9)</u>						
State Investment Pool	09/30/96	92 days	92 days	6.520%	\$ 325,778	\$ 5,310
Total Series G interest earnings to date						\$ 5,310
<u>Series H Bonds - Capital Construction Clearing - Frankfort (Note 10)</u>						
Bond Proceeds Pool	09/30/96	92 days	92 days	6.500%	\$ 155,011	\$ 2,520
Total Series H interest earning to date						\$ 2,520
Total Unexpended Plant Fund interest earnings to date						\$ 7,830
<b>RETIREMENT OF INDEBTEDNESS FUND - Invested by Trustee</b>					Carrying Value at 09/30/96	
<u>Consolidated Educational Bond Reserve Sinking Fund (Note 11)</u>						
Money Market Securities	09/30/96	92 days	92 days	Various	\$ 5,122	\$ 61
Repurchase Agreement	07/01/04	10 years	366 days	6.500%	3,543,480	57,582
Total Consolidated Educational Bond Reserve Sinking Fund interest earnings to date						\$ 57,643
<u>Consolidated Educational Series G Arbitrage Rebate Fund</u>						
Money Market Securities	09/30/96	92 days	92 days	Various	\$ 602	\$ 7
Total Consolidated Educational Series G Arbitrage Fund interest earnings to date						\$ 7
<u>Housing and Dining Bond Reserve Sinking Fund (Note 12)</u>				Yield to Maturity		
PNC managed account	09/30/96	92 days	92 days	6.040%	\$ 687,507	\$ 11,618
Total Housing and Dining Bond Reserve Sinking Fund interest earnings to date						\$ 11,618
<u>Housing and Dining Repair and Maintenance Reserve Fund (Note 13)</u>						
PNC managed account	09/30/96	92 days	92 days	6.040%	\$ 696,725	\$ 9,895
Total Housing and Dining Repair and Maintenance Reserve Fund interest earnings to date						\$ 9,895
Total Retirement of Indebtedness Fund interest earnings to date						\$ 79,163
Total Plant Funds interest earnings to date						\$ 101,771

MURRAY STATE UNIVERSITY  
NOTES TO INVESTMENT REPORT  
For the Period July 1, 1996 through September 30, 1996

Note 1. BASIS OF REVENUE RECOGNITION

Accrual basis accounting is used to recognize interest earnings on the Investment Report.

Note 2. INVESTMENT POLICIES AND PROCEDURES

POLICIES

Scope: This investment policy applies to activities of the University with regard to investing the financial assets of all funds, including those maintained by:

- I. the Commonwealth of Kentucky's treasury,
- II. local depositories, and
- III. external trustees and investment managers.

Written procedures will indicate which funds are covered under each of the previously mentioned investment structures.

Goals: Consistent with state statutes and administrative regulation, the goals of the University's investment program are:

- \* preservation and maintenance of the real purchasing power of the principal in the portfolios,
- \* maintenance of sufficient liquidity to meet normal and foreseeable expenditures, and
- \* attainment of the greatest possible dollar return to the University while observing statutory and policy constraints.

Investment Objective: The investment objective is to produce a yield that when compared to the current marketplace, would be described as competitive by investment managers.

Strategy: The University's investment strategy is designed to match the life of the asset with the date liability occurs.

Delegation of Authority:

General: The treasurer is responsible for investment decisions and activities, under the direction of the Board of Regents. The Treasurer shall develop and maintain written administrative procedures for the operation of the investment program, consistent with these policies. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person shall engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate investment personnel.

Bond Funds: With regard to bond funds, the investment/reinvestment (on instruments authorized by the bond indenture and resolutions) by the trustee(s) shall be directed from time to time by the Treasurer.

Minimal Non-Cash Investment Transactions: In order to correct stock transfer errors or dispose of small non-cash investments, the Treasurer is authorized to sell or otherwise dispose of items less than \$10,000 without specific resolution from the Board of Regents.

Note 2 INVESTMENT POLICIES AND PROCEDURES (cont.)

Reporting: The Treasurer and the Vice President for University Relations and Administrative Services shall submit quarterly investment reports to the President and Board of Regents. These reports will include investment data for investment securities held at the end of the reporting period.

PROCEDURES

Specific investment procedures are contained within the full "Investment Policies and Procedures" as approved by the Board of Regents on May 14, 1994.

Note 3. DEPOSITS AND INVESTMENTS

The University currently uses commercial banks and the Commonwealth of Kentucky for its depositories. Deposits with commercial banks are covered by Federal depository insurance or collateral held by the bank in the University's name. University funds deposited with the State Treasurer are pooled with funds from other state agencies. These state pooled deposits are substantially covered by federal depository insurance or by collateral held by the bank in the state's name. The investments of the University not held by the state investment pool are insured, registered, or held by the University or by an agent of the University.

Below is a summary of the investments held by the University:

	09/30/96 Carrying Amount	09/30/95 Carrying Amount
U. S. Government Securities	\$4,927,712	\$ 4,885,537
Stocks	-	-
Certificates of Deposit	700,000	640,000
Money Market Securities	<u>5,724</u>	<u>3,566</u>
Subtotal:	\$ 5,633,436	\$ 5,529,103
Investment in State Investment Pool	\$17,581,439	\$ 20,110,641
MSU Foundation Pool	<u>1,283,349</u>	<u>1,153,009</u>
Total Investments	<u>\$24,498,224</u>	<u>\$26,792,753</u>

Note 4. CURRENT FUNDS - LOCAL BANK ACCOUNT

Per banking contract with People's Bank of Murray, interest earnings are based on 100% of the overnight federal funds rate.

Interest earnings may be expended in Current Fund.

Note 5. CONSOLIDATED EDUCATIONAL BUILDING AND REVENUE BOND FUND (CEBRB)

This fund was created, as result of the trust indenture established when the first Consolidated Educational Building and Revenue Bonds were sold in the 1960's, as a depository of tuition and fees in order to provide funds to service the principal and interest debt requirements of each series of aforementioned bonds. The fund also supports the Educational and General Funds operations.

**Note 5. CONSOLIDATED EDUCATIONAL BUILDING AND REVENUE BOND FUND (CEBRB) (cont.)**

The Commonwealth of Kentucky Office of Financial Management and Economic Analysis invests available funds of the CEBRB in the State's university investment pool.

All interest earnings are transferred to Consolidated Educational Renewal and Replacement (CERR) at the end of each quarter according to the Board's approval for renewal and replacement projects.

**Note 6. AUXILIARY FUNDS - HOUSING AND DINING REVENUE FUND**

This fund was created, as a result of the trust indenture established when the first Housing and Dining System Revenue Bonds were sold in 1960's as a depository of all auxiliary income in order to provide funds to service the principal and interest debt requirement of each series of aforementioned bonds. The fund also supports the Auxiliary Fund operations.

**Note 7. ENDOWMENT FUND INVESTMENTS**

**ENDOWED CHAIR**

During 1987, the University was awarded \$500,000 by the Commonwealth of Kentucky for an Endowed Chair for Eco-Systems Studies. University discretion, within the Board Policy, is used to invest these funds. Ten percent of the total earnings are returned to the Endowment investment pool. Ninety percent of the earnings are transferred to the Restricted Fund (Endowed Chair Grant) for program expenditures.

**SMITH ENDOWMENT**

During the fourth quarter of fiscal year 1991-92 and the first three quarters of fiscal year 1992-93, the University received proceeds, in excess of \$750,000, from the Laura Smith estate for the Smith Endowment. The majority of the proceeds were deposited with the Murray State University Foundation for investment in the investment pool.

**Note 8. CONSOLIDATED EDUCATIONAL RENEWAL AND REPLACEMENT (CERR)**

As established by the Board of Regents in March 1982, CERR provides a plant fund sub-group so that funds transferred from CEBRB could be accumulated for future projects of repair and renovation.

The University invests the proceeds in the same manner as CEBRB in Note 5.

Interest earnings remain within the fund for future projects.

**Note 9. UNEXPENDED PLANT FUNDS - SERIES G REVENUE BOND**

This capital construction clearing account holds the proceeds from the University's Series G bond sale until such time as they are needed for specific capital construction projects.

The University issued \$14,785,000 in Series G revenue bonds dated December 1, 1987. The proceeds are to be used to pay costs of repair, renovation, construction or addition to buildings on the campus of Murray State University that are and shall be a part of the Consolidated Educational Building Project. This project was established and created by the Board of Regents on April 20, 1961.

**Note 9. UNEXPENDED PLANT FUNDS - SERIES G REVENUE BOND (cont.)**

The University invests the proceeds in the same manner as CEBRB in Note 5.

Interest earnings on Series G can be spent on the Industry and Technology Building project or any other Educational and General project the Board and State approves.

**Note 10. UNEXPENDED PLANT FUNDS - SERIES H REVENUE BOND**

This capital construction clearing account holds the proceeds from the University's Series H bond sale until such time as they are needed for specific capital construction projects.

The University issued \$4,625,000 in Series H revenue bonds dated March 1, 1992. The proceeds are to be used to pay costs of repair, renovation, construction of addition to buildings on the campus of Murray State University that are and shall be a part of the Consolidated Educational Building Project. This project was established and created by the Board of Regents on April 20, 1961.

The Commonwealth of Kentucky invests the proceeds in a pooled account with other state agency bond proceeds.

Interest earnings on Series H can be spent on the renovation of the Old Find Arts Building and the Underground Steam and Condensate Lines as approved by the Board and State.

**Note 11. RETIREMENT OF INDEBTEDNESS - CONSOLIDATED EDUCATIONAL SINKING FUND (CESF)**

This fund was created, as a result of the first trust indenture established when the Consolidated Educational Building and Revenue bonds were sold in the 1960's, to provide a sinking fund to pay debt principal and interest expense on all related CEBRB bonds. The amount of interest earned is part of the formula for annual funding of CERR projects. (See Note 5)

Interest earnings are used to reduce the amount of semi-annual debt service transferred from University Unrestricted Educational and General Fund to this sinking fund. Bond requirements mandate a minimum reserve of \$3,543,480.

**Note 12. RETIREMENT OF INDEBTEDNESS - HOUSING AND DINING SINKING FUND**

This fund was created, as a result of the trust indenture established when the first Housing and Dining System Revenue Bonds were sold in the 1960's, to provide a sinking fund to pay debt principal and interest expense on related Housing and Dining Revenue Bonds.

Interest earnings are retained in the fund for future use. Bond requirements mandate a minimum reserve of \$679,204.

**Note 13. HOUSING AND DINING REPAIR AND MAINTENANCE RESERVE FUND**

This fund was created, as a result of the establishment of the trust indenture in Note 5, to provide a fund to pay for extraordinary repairs, not paid from the Auxiliary Fund, to the Housing and Dining System buildings.

Interest earnings are retained in the fund for future use. The use is determined by Board of Regents resolution and the indentures. Bond requirements mandate a minimum reserve of \$550,000.

**Murray State University Board Report  
Undergraduate Degrees Conferred  
December 18, 1996**

**Associate of Arts**

Total: 7

Joette Sledd Black  
Betty JoAnn Lane Collins  
Jaime Lynn Curry  
Kristi Lynn Graham  
Lori L. Pearson  
Theresa Chumley Stockwell  
Kelita Jenece Vance

Amy Rebecca Puckett  
Jeff C. Rager  
April J. Russell  
LeAnne Shadrick  
Jamie Suzanne Stanton  
Betteenia L. Taylor

**Associate of Science**

Total: 5

David A. Estes  
Freida Joyce Givens  
Steve E. Givens  
James Bruce McCraw  
James Vincent Roberts

**Bachelor of Fine Arts**

Total: 1

Adam L. Ward

**Bachelor of Music Education**

Total: 1

Cynthia Marie Roop

**Associate of Science in Vocational Technical Education**

Total: 1

Larry D. Lile

**Bachelor of Arts**

Total: 17

Logan RS Abbitt  
Tonya Kelly Basinger  
Michelle D. Bradley  
Susan C. Baumer Cotton  
Tabitha Renee Devine  
Chirstina Clemmons Ethridge  
Jason Futrell  
Kenneth Casey Harris  
Sara J. Hawley  
Hye Kyung Kim  
Eric J. Nunn

**Bachelor of Science**

Total: 198

Majdi Hafiz Al-Ghussein  
Christy Lynn Asher  
Darrell T. Atchison  
Norma Gay Autrey  
Mary Catherine Aydt  
Kevin L. Bailey  
Kevin L. Banks  
James L. Barnett  
Susanne Kelly Beckwith  
Andrea Lynne Bell  
Susan Kay Bernhardt  
Albert C. Biehslich  
Dennis Ray Blagg  
April L. Blanton  
Victoria Nix Boatright  
Christina Rene' Bowman  
Tammy L. Brantley  
Chadley D. Brawner



Murray State University Board Report  
Undergraduate Degrees Conferred  
December 18, 1996

---

Leslie Breeden  
Gerald Lee Brown  
William Christopher Brown  
Melissa Ann Buechlein  
Lisa Louise Burd  
Allison R. Burgess  
Jeffrey Loyd Call  
Stephanie Carlson  
Leslie Karen Carper  
Gina Cash  
Dawn Renea Cates  
Robert Brian Cathey  
Douglas L. Chaney Jr.  
Mary Clements Child  
Erin Childress  
John C. Clancy  
Shad Ryan Clayton  
Jeffrey Mitchell Cline  
Nancy Lee Cooper  
Christopher Derrick Cornett  
Lori Ann Cothran  
Ernest Eugene Craig  
Carrie Michelle Crain  
Matthew A. Culp  
Julie Dawn Dally  
Joyce Dalton  
Randy J. Davis  
Richard J. DeFend  
Gary Lynn Deweese Jr  
Tammy Jo Diuguid  
Laurie Ann Drury  
Kristina Gail Elgin  
Charlene M. Epple  
Gina Bennett Estes  
Michael Clay Evans  
Teresa Everhart  
Jason Alton Farthing  
Amy Elizabeth Faulkner  
Scott U. Ford  
Jessica Lynne Forst  
Brian A. Foster

Edye Michelle Fourshee  
Marybelle Franklin  
Autumn Winn Funkhouser  
Amy Michelle Futrell  
James L. Gholson  
Michael Craig Gipe  
Christopher M. Goodman  
Jason Daniel Grimes  
Beth Pritchard Guess  
John Eric Gulke  
Kathryn Jean Gunter  
Lisa Lynn Hamilton  
Trevor Anthony Hamilton  
Philip Andrew Hammonds  
Robert Harris III  
Denise Ann Harvey  
Aimee Michelle Hatfield  
Cynthia L. Hathaway  
Amy Beth Hicks  
Brian Robert Hill  
Katina Ann Hill  
Jay Alan Hille  
Tina Marie Hilt  
Heather March Hoe  
Christopher A. Holt  
Susan L. Hood  
Jeffrey Lee Horn  
Jeremy D. Hudgin  
Angela Humphrey  
Brian Richard Hunt  
Bridget Lee Jackson  
Eva T. Johnson  
Michelle S. Johnson  
Stefanie Lynn Kelly  
Marcus Roddy Kimbrell  
Wright Jackel King  
Meredith Anne Landorf  
Leslie Diane Larrison  
Hung-Ken Andy Lee  
Stephanie Rule Lee  
Shanutda Leevanichayakul

**Murray State University Board Report**  
**Undergraduate Degrees Conferred**  
**December 18, 1996**

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Michael Henry Lewis  
David Timothy Lusk  
Stephen Neil Malone  
Heather Martin  
Matthew H. Martin  
James G. Maupin II  
Kurt Andrew McClelland  
Jennifer R. McConnell  
Lonnie D. McElwain  
Bryan D. McGill  
Sean L. McKinney  
Jodi McManus  
Jonathan Shane McManus  
Robert Alan Miller  
Wendy Kaye Milligan  
Dwight David Mitchell  
Rheanne H. Mitchell  
Pamela S. Moore-Milton  
Dwayne Moorman  
Jason Loren Morgan  
Ronald Carlton Moyers Jr.  
Dorothea Mullinix  
Bobbie Anne Munsey  
Sheila I. Napier  
Sandra Lynn Neff  
Jennifer Marie O'Bryan  
Amanda Brooke Offutt  
Sian-Jong Oon  
Jason Edwin Orr  
Julie Michelle Orr  
Annette L. Peacher  
Rebecca Ann Permenter  
Michael R. Perry  
Keri Pierce  
Crystal Dawn Quillen  
Margaret Reid Rall  
Janet Ann Reed  
Timothy Scott Rehrauer  
Stephanie Ann Rickman  
Patsy McFerrin Riley  
Curtis Joe Roach

James Donald Roberson Jr  
Kevin Dale Robertson  
Eric R. Russell  
Veronica Denise Russell  
Matthew Lawrence Sanders  
Sean Sandwell  
Amy Renee Savells  
John Andrew Schank  
Elisha Ayn Scott  
Jack Alexis Searcy  
Mary Elizabeth Sego  
Shannon Renee Sepulveda  
Carl J. Shanko  
Sheena Renee Shaw  
Melinda Gayle Shupe  
Brady Lee Siress  
Bruce K. Sizemore  
Leigh Anne Ingrum Smith  
Tammy S. Smock  
Jason Wells Smothers  
Mark J. Spaulding  
Jeremy P. Springall  
Amy Michelle Staley  
Allan R. Stephens  
Angela C. Story  
David Austin Story  
Scott Richard Svebakken  
Marti Swartz  
Robert Creedon Tashjian Jr.  
Samuel V. Taylor  
Tricia Ann Templeton  
Anna L. Thomas  
Brent Hardin Thompson  
Lee Albert Thompson  
Oliver O. Thompson  
Katherine Thurgood  
Kathy Lea Turner  
Denise Lynne Vinson  
Christy Dawn Walsh  
Jennifer Lyn Ward  
Eric Warman

Murray State University Board Report  
Undergraduate Degrees Conferred  
December 18, 1996

Edward Lee Watson  
Patricia Watson  
Jason Lloyd Whalen  
James M. Whittenberg II  
Melissa Ann Whittinghill  
Melinda Leigh Whitton  
James Patrick Wilkerson  
Gary Raymond Willis  
James Lyndale Wilson  
Krisopher Chad Woods  
Benjamin J. Wright  
Crissy Ebersohl Wright  
Jonathan Carey Wright  
Christopher Wyatt  
Gretchen A. Young  
Dawn Lynn Zillges

Joseph Bradley Reddick  
Kevin Renaud  
Charles Oscar Ries  
Tim T. Schweizer  
Andrea Elizabeth Tharnish  
Rodney Shayne Watkins  
Sarah Renee Whitehead  
Vanessa M. Whittemore  
Michael J. Williams  
Jamie Harold Wilson  
J. David Wright

**Bachelor of Science in Business**

Total: 33

Christopher Louis Adams  
Dana R. Adams  
Roger D. Ainley  
Laura Ann Ballard-Scott  
Christopher P. Beck  
Adam J. Beth  
Kimberly Kay Bishop  
David Sean Caldwell  
Catherine May Childers  
Yung Tamerlane Duong  
Christy L. Faughn  
Sheila Marie Fraliex  
Suzanne M. Gordon  
Dana Michelle Green  
Dana F. Griffin  
R. Guy Harley  
Matthew Hatcher  
Valerie Dawn Howard  
Patrick Brian Howell  
Ollie Jay Lancaster  
Bryant Little  
Jennifer Kristi Markus  
Timothy James McSwain  
Kathy Crook Miracle  
Abbie Jo Palmowski

**Bachelor of Science in Agriculture**

Total: 31

Kelisa M. Allen  
Gregory Kenton Bargo  
Patrick Wayne Boldry  
Daniel H. Burnett  
William Martin Calhoun  
Damon Miles Dunning  
Bethany Lee Edwards  
Cheryl Antoinette Farello  
Betty Marie Flood  
Gregory Leigh Gooch  
Ranson Edward Goodman  
Gregory Stephen Hall Jr.  
Jason Ronald Higgins  
Jay Anthony Housden  
Tammy Carol Joslin  
Jennifer Rebecca King  
Kristopher N. Minnich  
Phillip O. Morgan  
Bryan Clint Newman  
Michael Todd Phipps

2/14/97

From: Admissions & Registrar's Office

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**Murray State University Board Report**  
**Undergraduate Degrees Conferred**  
**December 18, 1996**

Sajjid Haider Pasha  
Allen Mason Rayburn  
Cynthia Shankle  
Melissa Galyen Thompson  
Stephen Karlton Tilker  
Leslie Vander Boegh  
Heather Rene Vowell  
Jacquelyn M. Welch

**Bachelor of Science in Vocational Technical Education**

Total: 1

Patricia Ann Young

**Bachelor of Science in Nursing**

Total: 26

Rita M. Abeyta  
Nicole Anderson  
Jaci Noelle Beaven  
William Devin Blakeley  
Cindy R. Cannon  
Nancy C. Cook  
Rita Karen Dubuque Driver  
Melissa Elkins Fowler  
Kevin Lynn Hardesty  
Margaret Johnson  
Misty DeShay Jones  
Cheryl Gott Langston  
Alicia Dawn McCoy  
Robin Lea Middleton  
Barbara Hooks Moody  
Melonie Renee Oates  
Sheri Kay Outland  
Elizabeth Ann Petter  
Lori Jeanne Rye  
Tammy Diane Scahill  
Donna E. Severns  
Beth A. Sheridan

LeAnn Thompson  
Monica Renee' Wellington  
Vivian Lee Wiggins  
Beth Workman

**Bachelor of Independent Studies**

Total: 2

Marion Barbara Harbison  
Gary Allen Ruppel

**Bachelor of Arts in Business**

Total: 7

Carrie Elizabeth Daughaday  
Alice L. Fetisova  
Michelle Leigh Juenger  
Dawn Renee Kruse  
Christine Lee Nichter  
Dana Trammel  
Michael E. Williams

**Bachelor of Social Work**

Total: 11

Lisa M. Downs  
Elizabeth Hays Hallorun  
Carrie B. Hatfield  
Mary J. Kubach  
Charlotte Ann Landers  
Cynthia Barlow Maglinger  
Angela D. Miller  
Christa Dawn Morgan  
Deborah Ann Morgan  
Rebecca Oechslein  
Tamara S. Wilkinson

Murray State University Board Report  
Undergraduate Degrees Conferred  
December 18, 1996

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Total Number of Degrees Conferred : 341

2/14/97

*From: Admissions & Registrar's Office*

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**Murray State University Board Report**  
**Graduate Degrees Conferred**  
**December 18, 1996**

---

Total: 0

Ryan Allen Ray  
Stefanie Reichold  
Supara Siripaiboolya  
Wallace Edwin Smith  
Nuntasaree Sukato  
Choke Tanthatsawat  
Jennifer L. Thorn  
Krongkan Tisadoldilok  
Do-Sik Yun

**Master of Arts in Education**

Total: 23

Paula Arlene Archer  
Jodi Nain Belt  
Lesley Gene Childress  
Robbie Letisia Clark  
John W. Curry  
Lisa J. Dreher  
Amanda Jean Gardner  
Amanda F. Greenfield  
Carol Adams Hancock  
Richard Scott Harper  
Melanie Renee Harris  
Debra Pawlak Jones  
Rise Danielle Karr  
Beth Moore Lacy  
Amy Ledford Logsdon  
Angela Hamilton Murdock  
Kathy Sue Parsons  
Mary Claudette Pettus  
Elizabeth Grant Rutland  
Jean Carlisle Sanford  
Marianne Elizabeth Scott  
Kerry Andrew Stovall  
Jennifer Bugg Van Waes

**Master of Music Education**

Total: 2

Leigh Anne Barrett  
Danny Earle Davis

**Master of Arts in Teaching**

Total: 1

Melanie Roos Dawson

**Master of Science**

Total: 67

Daniel W. Alcide  
Pakamas Aramwit  
Jakawan Athipanya  
Barry Wayne Baird  
Diane Charlene Boyd  
Stacy L. Brewer  
Sheila Burnham  
Connie Kristine Burrow  
Roberto Vincent Camsmith  
Sze Yick (Alberto) Choi  
Kajitsri Choopanya  
Gary Bradford Chrislip  
Angela Monique Donald  
Timothy Brian Dosemagen  
Nancy Carrol Fleming  
Kevin John Frey  
Darryl David Garrett

**Master of Business Administration**

Total: 18

Tim Butler  
John Gregory Greenwell  
Shawn K. Hall  
Kristie Foulke Hayden  
Kirk Lane Lassaline  
Byeong-Joo Lim  
Donald James Mellon  
Charles Andrew Pegram  
Opath Pimpaswad

2/21/97

From: Admissions & Registrar's Office

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Murray State University Board Report  
Graduate Degrees Conferred  
December 18, 1996

Tollie Bryan Gilliam  
Pamela Garrett Giovengo  
Troy L. Goode  
Jennifer Lee Hall  
Roger Glen Hankins  
Sherry Sydney Holmes  
John Lynn Johnson  
Scott Kirkham Johnson  
George W. Kaelin  
Kittikarn Kanchanakhuha  
Jennifer Lynn Kazwell  
Earl Leon Kilgore  
Suk-Kyong Kim  
Barbara E. Lewis  
Max Alberto Lobo-Hernandez  
Charlene Marie Lucas  
Christopher Madison Martin  
Sherry J. McClain  
Philip Park McKee  
Michael J. McMorrow  
Shannon LeAnne Miller  
Cheryl Lynn Patton  
Sandra V. Petrochko  
Mickey Edward Porter  
David Austin Potts  
M. Dennis Prather  
Ekachat Prayurasiddhi  
Jumnongchit Ratanasakol  
David Christopher Russell  
Supa Sakultanjaroenchai  
Deloria Ann Sanders-Scott  
Jeffrey L. Schaefer  
Paul A. Schaumburg  
Bosung Seo  
Anthony Lee Smith  
Trista Barsumian Spickler  
Leland Wesley Steely  
Rebecca A. Sullivan  
Timothy David Swain  
Bobbi Dena Tinsley-Curris  
Emily Margaret Vaughn  
Byron Alonzo VonRosenberg  
Molly Elizabeth Wallace  
William D. Washburn  
Barbara Lorraine Watson

Robert W. Weaver  
Shirley Jean Wildermuth  
Tanyaloquesha Jo Lyniece Woodlee  
Xiao Yang Yu  
Lixia Yuan

**Master of Arts**

Total: 12

Khaled Al-Quhas  
Jeffrey Alan Bergholtz  
Seol Ha Cheong  
Amy Curtis Dolejs  
Jongbae Hong  
Sujung Lee  
Hsiu-Chin Lin  
Yousef Mohammad  
Aaron E. Sullivan  
Saovanee Tesgim  
Walter Alan Wheat  
Melissa A. Wolf

**Master of Public Administration**

Total: 5

Barbara L. Heathe  
Krisana Montrisrikul  
Jodicus Wayne Prosser  
Supathana Thongsuntara  
Bridgette Denise West

**Master of Science in Nursing**

Total: 13

Janet Taylor Ambler  
Kimberly Elaine Bradley  
LaDonna Peyton Cates  
Cynthia Diane Gress  
Debra Kay Harris  
Anine Simonsen McCallum  
Marcia Ann Polley

**Murray State University Board Report  
Graduate Degrees Conferred  
December 18, 1996**

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Johnna Renee Ridley  
Janice Lee Thurmond  
Shari Parish Tidwell  
Leigh Ann Vanover  
Gregory Charlton Vincent  
Jacquelynn B. Westbrook

**Specialist in Education**

**Total: 1**

Kathryn Mary Turner

**Total Number of Degrees Conferred : 142**



RESOLUTION AND ORDER

WHEREAS, there is a certain building known as the Mobile Home (building # 401) which contains 609 square feet and is located at Hancock Biological Station; and

WHEREAS, said used mobile home was purchased to house the station keeper at the Hancock Biological station to support the academic program of Biological Sciences at Murray State University; and

WHEREAS, the Administration of Murray State University has made written request that the Board of Regents enter its order authorizing the disposition of the above mentioned property; and

WHEREAS, said building should, in the judgment of this Board of Regents, pursuant to its duties and functions set out in KRS 164A.575(7), be sold as it no longer is serviceable for its intended purpose.

NOW THEREFORE, it is hereby determined that said building be sold for the reason as indicated above, and the Secretary of the Finance and Administration Cabinet is requested to take the necessary action to authorize selling of said building.

THIS, the 6th day of December 1996.

---

Sid Easley, Chairman  
Board of Regents  
Murray State University

Certification

I, Sandra M. Rogers, Secretary of the Board of Regents of Murray State University, hereby certify that the above resolution was adopted by the Board of Regents at its meeting held on December 6, 1996.

Witness my hand and seal, this 6th day of December 1996.

---

Sandra M. Rogers, Secretary  
Board of Regents  
Murray State University  
Murray, KY 42071

**MURRAY STATE UNIVERSITY**

**Financial Statements  
and Supplemental Schedules  
for the Year Ended June 30, 1996  
and  
Independent Auditors' Report**

**MURRAY STATE UNIVERSITY  
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**INDEPENDENT AUDITORS' REPORT**

To the Board of Regents  
of Murray State University

We have audited the accompanying balance sheet of Murray State University (the "University") as of June 30, 1996, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended. These financial statements are the responsibility of the management of the University. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Murray State University as of June 30, 1996, and the changes in its fund balances and its current funds revenues, expenditures, and other changes for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, the University changed its accounting for assets managed by, and contributions to, Murray State University Foundation on behalf of the University.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the University's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Deloitte & Touche LLP*

September 13, 1996

**Deloitte Touche  
Tohmatsu  
International**

MURRAY STATE UNIVERSITY  
BALANCE SHEET  
As of June 30, 1996  
With Comparative Figures as of June 30, 1995

	Current Funds		Loan Funds	Endowment Funds	Plant Funds	Agency Funds	Totals	
	Unrestricted	Restricted					1996	1995
<b>ASSETS</b>								
Cash	\$ 490,849	\$ 1,017,413	\$ 459,231	\$ 15,679	\$ 5,208,632	\$ 149,621	\$ 7,341,425	\$ 9,716,490
Investments	11,363,542	160,000	-	540,000	6,857,118	-	18,920,660	19,552,407
Accounts and loans receivable, net	1,041,001	1,762,112	4,153,462	184	-	-	6,956,759	6,433,258
Interest receivable	189,780	1,501	-	-	75,285	-	266,566	247,463
Inventories	1,263,198	-	-	144	-	-	1,263,342	1,214,216
Prepaid expenses	146,605	23,582	-	-	-	-	170,187	154,892
Discount on bonds payable	-	-	-	-	451,998	-	451,998	386,815
Due from other funds	2,132,454	-	-	-	1,029,352	-	3,161,806	679,386
Assets held by MSU Foundation	-	1,847,510	-	9,209,270	-	-	11,056,780	1,319,250
Property, plant and equipment	-	-	-	-	155,550,752	-	155,550,752	147,404,190
Total assets	\$ 16,627,429	\$ 4,812,118	\$ 4,612,693	\$ 9,765,277	\$ 169,173,137	\$ 149,621	\$ 205,140,275	\$ 187,108,367
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ 1,322,927	\$ 41,478	\$ -	\$ -	\$ 150,824	\$ -	\$ 1,515,229	\$ 1,387,573
Payroll related accruals	2,900,519	-	-	-	-	-	2,900,519	3,235,563
Accrued expenses and other liabilities	552,260	28,800	19,565	-	-	-	600,625	1,172,720
Interest payable	-	-	-	-	317,494	-	317,494	318,715
Deposits	260,596	-	-	-	-	149,621	410,217	349,704
Deferred revenues	835,078	-	-	-	-	-	835,078	554,912
Due to other funds	858,209	2,284,124	-	-	19,473	-	3,161,806	679,386
Bonds payable	-	-	-	-	31,742,144	-	31,742,144	33,169,362
Obligations under capital leases	-	-	-	-	134,242	-	134,242	116,127
Total liabilities	\$ 6,729,589	\$ 2,354,402	\$ 19,565	\$ -	\$ 32,364,177	\$ 149,621	\$ 41,617,354	\$ 40,984,062
Fund balance:								
Current unrestricted funds:								
Allocated for:								
Working capital	\$ 1,323,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,323,401	\$ 1,827,504
Prior year carryovers:								
Renovation and maintenance	2,319,402	-	-	-	-	-	2,319,402	1,874,126
Other	3,090,130	-	-	-	-	-	3,090,130	3,513,202

See notes to financial statements.

MURRAY STATE UNIVERSITY  
**BALANCE SHEET (cont.)**  
As of June 30, 1996  
With Comparative Figures as of June 30, 1995

LIABILITIES AND FUND BALANCE (cont.)	Current Funds		Loan Funds	Endowment Funds	Plant Funds	Agency Funds	Totals	
	Unrestricted	Restricted					1996	1995
Fund balance (cont.):								
Current unrestricted funds (cont.):								
Encumbrances	\$ 413,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 413,099	\$ 925,382
Reserve for general contingency	1,851,808	-	-	-	-	-	1,851,808	997,123
Reserve for self insurance	900,000	-	-	-	-	-	900,000	900,000
Current restricted funds	-	2,457,716	-	-	-	-	2,457,716	1,422,647
Loan funds - restricted	-	-	4,593,128	-	-	-	4,593,128	4,557,138
Endowment funds - restricted	-	-	-	9,765,277	-	-	9,765,277	1,645,183
Plant funds:								
Unexpended	-	-	-	-	3,034,435	-	3,034,435	3,072,343
Renewal and replacements	-	-	-	-	2,501,204	-	2,501,204	3,707,871
Retirement of indebtedness	-	-	-	-	4,235,912	-	4,235,912	4,227,959
Net investment in plant	-	-	-	-	127,037,409	-	127,037,409	117,453,827
Total fund balance	\$ 9,897,840	\$ 2,457,716	\$ 4,593,128	\$ 9,765,277	\$ 136,808,960	\$ -	\$ 163,522,921	\$ 146,124,305
Total liabilities and fund balance	\$ 16,627,429	\$ 4,812,118	\$ 4,612,693	\$ 9,765,277	\$ 169,173,137	\$ 149,621	\$ 205,140,275	\$ 187,108,367

See notes to financial statements.

MURRAY STATE UNIVERSITY  
STATEMENT OF CHANGES IN FUND BALANCES  
For the Year Ended June 30, 1996

	Current Funds		Loan Funds	Endowment Funds	Unexpended	Plant Funds		
	Unrestricted	Restricted				Renewals and Replacements	Retirement of Indebtedness	Investment In Plant
<b>REVENUES AND OTHER ADDITIONS:</b>								
Current funds revenues	\$ 78,204,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contracts	-	9,767,016	-	-	-	-	-	-
Private gifts	-	1,248,990	-	936,169	-	-	-	-
Endowment income	-	561,480	-	171,291	-	-	-	-
Expenditures for plant facilities (including \$3,424,870 charged to current fund expenditures)	-	-	-	-	-	-	-	10,776,831
Donated plant facilities	-	-	-	-	-	-	-	9,989
Retirement of indebtedness	-	-	-	-	-	-	-	2,995,027
Interest income - restricted	-	-	114,039	-	36,345	107,395	287,507	-
Federal and state contributions	-	-	4,901	-	-	-	-	-
Reduction in lease obligations	-	-	-	-	-	-	-	67,143
Proceeds from bonds	-	-	-	-	1,551,000	-	-	-
State construction funds	-	-	-	-	1,011,000	-	-	-
Other additions	-	35,272	41,431	-	97,120	428,761	12,258	-
Total revenues and other additions	\$ 78,204,608	\$ 11,612,758	\$ 160,371	\$ 1,107,460	\$ 2,695,465	\$ 536,156	\$ 299,765	\$ 13,848,990
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>								
Educational and general expenditures	\$ 61,534,813	\$ 10,787,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auxiliary enterprises expenditures	11,673,150	52,905	-	-	-	-	-	-
Refund to grantors	-	15,145	-	-	-	-	-	-
Loan cancellations and write-offs	-	-	60,318	-	-	-	-	-
Adjustment in allowance for bad debts	-	-	4,769	-	-	-	-	-
Administration and collection costs	-	-	56,671	-	-	-	-	-
Expended for plant facilities (including non- capitalized expenditures of \$231,912)	-	-	-	-	4,885,068	-	-	-
Retirement of indebtedness	-	-	-	-	-	-	2,995,027	-
Interest on indebtedness	-	-	-	-	-	-	1,585,057	-
Deletions and disposals	-	-	-	-	-	-	-	2,725,517
State funds	-	-	-	-	25,980	-	-	-
New bond indebtedness	-	-	-	-	1,551,000	-	-	-
Other deductions	-	645,476	4,257	-	-	430,200	13,168	99,744
Total expenditures and other deductions	\$ 73,207,963	\$ 11,501,402	\$ 126,015	\$ -	\$ 6,462,048	\$ 430,200	\$ 4,593,252	\$ 2,825,261

See notes to financial statements.

MURRAY STATE UNIVERSITY  
STATEMENT OF CHANGES IN FUND BALANCES (cont.)  
For the Year Ended June 30, 1996

	Current Funds				Plant Funds			
	Unrestricted	Restricted	Loan Funds	Endowment Funds	Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment In Plant
<b>TRANSFERS AMONG FUNDS:</b>								
Mandatory:								
Bond principal and interest	\$ (4,301,440)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,301,440	\$ -
Perkins match	(1,634)	-	1,634	-	-	-	-	-
Total mandatory transfers	\$ (4,303,074)	\$ -	\$ 1,634	\$ -	\$ -	\$ -	\$ 4,301,440	\$ -
Nonmandatory:								
Transfer to unrestricted current fund from renewal and replacement fund	\$ 1,312,623	\$ -	\$ -	\$ -	\$ -	\$ (1,312,623)	\$ -	\$ -
Transfer from current funds to unexpended plant funds	(2,145,691)	(142,837)	-	-	2,288,528	-	-	-
Transfer from restricted funds to endowment funds	-	(140,724)	-	140,724	-	-	-	-
Transfer bonded debt from unexpended plant fund to investment in plant	-	-	-	-	1,440,147	-	-	(1,440,147)
Total non-mandatory transfers	\$ (833,068)	\$ (283,561)	\$ -	\$ 140,724	\$ 3,728,675	\$ (1,312,623)	\$ -	\$ (1,440,147)
Net increase(decrease) for the year before cumulative effect of accounting change	\$ (139,497)	\$ (172,205)	\$ 35,990	\$ 1,248,184	\$ (37,908)	\$ (1,206,667)	\$ 7,953	\$ 9,583,582
Cumulative effect of change in accounting method (Note 1)	\$ -	\$ 1,207,274	\$ -	\$ 6,871,910	\$ -	\$ -	\$ -	\$ -
Net increase (decrease) for the year	\$ (139,497)	\$ 1,035,069	\$ 35,990	\$ 8,120,094	\$ (37,908)	\$ (1,206,667)	\$ 7,953	\$ 9,583,582
Fund balance at beginning of year	\$ 10,037,337	\$ 1,422,647	\$ 4,557,138	\$ 1,645,183	\$ 3,072,343	\$ 3,707,871	\$ 4,227,959	\$ 117,453,827
Fund balance at end of year	\$ 9,897,840	\$ 2,457,716	\$ 4,593,128	\$ 9,765,277	\$ 3,034,435	\$ 2,501,204	\$ 4,235,912	\$ 127,037,409

See notes to financial statements.



**MURRAY STATE UNIVERSITY**  
**STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			1995
	Unrestricted	Restricted	Total	
<b>REVENUES:</b>				
Educational and general:				
Tuition and fees	\$ 20,606,133	\$ -	\$ 20,606,133	\$ 18,962,318
State appropriations	39,945,600	-	39,945,600	38,955,400
Grants and contracts	-	10,787,876	10,787,876	8,726,101
Indirect and administrative cost recoveries	244,437	-	244,437	244,132
Sales and services of educational activities	1,873,744	-	1,873,744	1,882,423
Other sources	3,427,811	-	3,427,811	3,005,979
Total educational and general	\$ 66,097,725	\$ 10,787,876	\$ 76,885,601	\$ 71,776,353
Auxiliary enterprises	\$ 12,106,883	\$ 52,905	\$ 12,159,788	\$ 11,227,896
Total Revenues	\$ 78,204,608	\$ 10,840,781	\$ 89,045,389	\$ 83,004,249
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>				
Educational and general:				
Instruction	\$ 27,045,868	\$ 2,150,287	\$ 29,196,155	\$ 27,699,003
Research	652,454	531,203	1,183,657	1,183,093
Public service	3,070,033	688,207	3,758,240	3,464,700
Libraries	2,267,639	57,922	2,325,561	2,151,205
Academic support	2,978,512	1,290,862	4,269,374	3,455,267
Student services	5,967,189	577,923	6,545,112	5,429,442
Institutional support	6,596,584	68,592	6,665,176	6,002,792
Operation and maintenance of plant	8,433,592	24,261	8,457,853	7,474,496
Student financial aid	4,522,942	5,398,619	9,921,561	8,812,623
Educational and general expenditures	\$ 61,534,813	\$ 10,787,876	\$ 72,322,689	\$ 65,672,621
Mandatory transfers for:				
Bond principal and interest	\$ 3,706,658	\$ -	\$ 3,706,658	\$ 3,648,316
Note payable principal and interest	-	-	-	197,601
Perkins fund matching grant	1,634	-	1,634	1,157
Total mandatory transfers	\$ 3,708,292	\$ -	\$ 3,708,292	\$ 3,847,074
Total educational and general	\$ 65,243,105	\$ 10,787,876	\$ 76,030,981	\$ 69,519,695
Auxiliary enterprises:				
Expenditures	\$ 11,673,150	\$ 52,905	\$ 11,726,055	\$ 10,674,173
Mandatory transfers for principal and interest	594,782	-	594,782	613,919
Total auxiliary enterprises	\$ 12,267,932	\$ 52,905	\$ 12,320,837	\$ 11,288,092
Total Expenditures and Mandatory Transfers	\$ 77,511,037	\$ 10,840,781	\$ 88,351,818	\$ 80,807,787

See notes to financial statements.

MURRAY STATE UNIVERSITY  
**STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES (cont.)**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			1995
	Unrestricted	Restricted	Total	
<b>OTHER TRANSFERS AND ADDITIONS</b>				
<b>(DEDUCTIONS):</b>				
Excess of restricted receipts over transfers to revenues	\$ -	\$ 736,705	\$ 736,705	\$ 799,150
Refunded to grantors	-	(15,145)	(15,145)	(44,576)
Nonmandatory transfers and other changes:				
Transfer to unrestricted current fund from renewal and replacement fund	1,312,623	-	1,312,623	278,869
Transfer from current funds to unexpended plant funds	(2,145,691)	(142,837)	(2,288,528)	(1,606,945)
Transfer to endowment fund from restricted fund	-	(140,724)	(140,724)	-
Other deductions	-	(610,204)	(610,204)	(453)
Total other transfers and additions(deductions)	\$ (833,068)	\$ (172,205)	\$ (1,005,273)	\$ (573,955)
Net increase in fund balance before cumulative effect of accounting change	\$ (139,497)	\$ (172,205)	\$ (311,702)	\$ 1,622,507
Cumulative effect of change in accounting method (Note 1)	\$ -	\$ 1,207,274	\$ 1,207,274	\$ -
Net increase (decrease) in fund balance	\$ (139,497)	\$ 1,035,069	\$ 895,572	\$ 1,622,507

See notes to financial statements.

**MURRAY STATE UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 1996**

**Note 1. Summary of Significant Accounting Policies**

**Nature of Entity**

Murray State University (the University) is a state supported institution of higher education located in Murray, Kentucky and is accredited by the Southern Association of Colleges and Schools. The University awards graduate and undergraduate degrees and serves a student population of approximately 8,000. The Institution is a component unit of the Commonwealth of Kentucky (the state).

**Basis of Accounting**

The financial statements of the University have been prepared on the accrual basis of accounting. The statement of current funds revenues, expenditures, and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization, interest and equipment renewal and replacement; and (3) transfers of a non-mandatory nature for all other cases.

**Fund accounting**

To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounts of the University are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources for various activities are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined and reported as five balanced fund groups: current funds, loan funds, endowment funds, plant funds, and agency funds. Accordingly, all financial transactions have been recorded and reported by fund group. Within each group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the University's Board of Regents. Externally restricted funds may be utilized only in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the University retains control to use in achieving its institutional purposes.

Current funds are used primarily to account for the transactions affecting the general operation of the University. These resources are expendable for performing the primary and support objectives of the University. Restricted gifts, grants, appropriations, and other restricted resources are accounted for in the appropriate restricted funds.

Restricted current funds are reported as revenues and expenditures when expended for current operating expenses.

The loan funds group is used to account for loan programs available to students and financed primarily by the Federal government.

**Note 1. Summary of Significant Accounting Policies (cont.)**

Endowment funds are those for which donors or other external agencies have stipulated, under the terms of the instrument creating the fund, that the principal is not expendable. That is, it is to be maintained inviolate and in perpetuity and is to be invested for the purpose of producing current and future income which may be expended or added to principal.

Plant fund groups are used to account for the transactions relating to investment in University property. Plant fund subgroups include (1) unexpended plant, (2) renewals and replacements, (3) retirement of indebtedness, and (4) investment in plant. The unexpended plant subgroup consists of funds to be used for the acquisition and/or construction of physical properties for institutional purposes but unexpended at the reporting date. The renewals and replacements subgroup consists of funds to be expended for renewals and replacements of plant fund assets, including some renewals and replacements of a type not ordinarily capitalized in the investment in plant subgroup. The retirement of indebtedness subgroup consists of funds set aside for debt service reserves and charges, and for retirement of indebtedness on institutional properties. The investment in plant subgroup consists of funds expended for and thus invested in institutional properties and the bond indebtedness incurred to finance plant acquisitions and construction. Physical plant and equipment are stated at cost at the date of acquisition or at fair market value at the date of donation for gifts. Depreciation on physical plant and equipment is not recorded.

Agency funds are used to account for assets held by the University as custodian or fiscal agent for others and used for certain organized activities.

All gains and losses arising from the sale, collection or other disposition of investments and other noncash assets are accounted for in the funds which owned such assets. Ordinary income derived from investments, receivables, and the like is accounted for in the fund owning such assets, except for income derived from investments of endowment funds, which income is accounted for in the fund to which it is restricted.

**Change in accounting for assets held by Murray State University Foundation**

Effective July 1, 1995, the University changed its method of accounting for assets held by the Murray State University Foundation (the Foundation) for the benefit of the University. Prior to that date, the University did not record in its financial statements contributions made to the Foundation for the benefit of the University. Such contributions were recorded as assets and revenues of the Foundation. The Foundation made distributions to the University or paid expenses on behalf of the University as directed by University management.

During the year ended June 30, 1996, management of the University and the Foundation reviewed the nature of the relationship between the two organizations in connection with the Foundation's implementation of Financial Accounting Standards Board Statement of Financial Accounting Standards No. 116 *Accounting for Contributions Received and Contributions Made*. As a result of this review, management of both organizations determined that the Foundation was acting as an agent for the University in the collection of gifts and donations to be used solely for the benefit of the University. Management of the University also determined that the assets held by the Foundation as agent for the University and related contributions received by the Foundation for the sole benefit of the University should be recorded as assets and revenues in the University's financial statements. This change in accounting had the effect of increasing the current restricted funds fund balance and the endowment funds fund balance at July 1, 1995 by \$1,207,274 and \$6,871,910, respectively. This change also had the effect of decreasing the net decrease in the current restricted funds fund balance for the year ended June 30, 1996 by \$435,000 and increasing the net increase in the endowment funds fund balance for the year ended June 30, 1996 by \$1,070,000.

**Investments**

The University values investments at cost if purchased or, if received as a gift, at market value at the date of the gift.

**Note 1. Summary of Significant Accounting Policies (cont.)**

**Inventories**

Inventories are stated at the lower of cost, (first-in, first-out method) or market.

**Pledges receivable**

The University's policy is to recognize pledges as revenue only when collected.

**Deferred revenue**

Revenues of summer school academic terms are reported in the fiscal year in which the programs predominantly fall. Therefore, deferred tuition revenue is recorded for terms which have not begun at fiscal year end.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to use estimates and assumptions. The accompanying financial statements include estimates for items such as allowances for doubtful accounts and loans receivable, self insurance liabilities and other accrued liabilities. Actual results could differ from those estimates.

**Note 2. Deposits and Investments**

The University currently uses commercial banks and the Commonwealth of Kentucky for its depositories. Deposits with commercial banks are covered by Federal depository insurance or collateral held by the bank in the University's name. At the state level, the University's accounts are pooled with other agencies of the State. These State pooled deposits are substantially covered by Federal depository insurance or by collateral held by the bank in the State's name. The investments of the University not held in the State investment pool are insured or registered, or are held by the University or by an agent in the University's name.

Below is a summary of the investments:

	June 30, 1996		June 30, 1995	
	Carrying Amount (at Cost)	Market Value	Carrying Amount (at Cost)	Market Value
U. S. government securities	\$ 5,189,246	\$ 5,176,061	\$ 5,145,348	\$ 5,152,761
Certificates of deposit	700,000	700,000	640,000	640,000
Subtotal	\$ 5,889,246	\$ 5,876,061	\$ 5,785,348	\$ 5,792,761
Investment in state investment pool	\$ 13,031,414	\$ 12,948,878	\$ 13,767,059	\$ 13,842,246
Total	\$ 18,920,660	\$ 18,824,939	\$ 19,552,407	\$ 19,635,007

**Note 3. Inventories**

Inventories at June 30 consisted of :

	1996	1995
Current unrestricted funds-		
Inventories:		
Central stores - supplies	\$ 39,754	\$ 85,480
Central stores - furniture and equipment	962	3,186
Food and food service supplies	78,681	88,657
Physical plant	278,123	283,271
University bookstore	865,678	753,158
Subtotal	\$ 1,263,198	\$ 1,213,752
Endowment fund-		
Inventories:		
Folke Tegetthoff - books	\$ 144	\$ 464
Total	\$ 1,263,342	\$ 1,214,216

**Note 4. Accounts and Loans Receivable**

A summary of accounts and loans receivable at June 30 follows:

	1996	1995
Current unrestricted funds -		
Accounts receivable:		
Student	\$ 956,270	\$ 788,156
Employee:		
Travel advances	11,435	3,666
Computer loans	42,332	46,252
Outside sales	429,493	390,916
State agencies	10,133	2,456
Allowance for doubtful accounts	(408,662)	(356,370)
Subtotal	\$ 1,041,001	\$ 875,076
Current restricted funds -		
Accounts receivable:		
Grants and contracts	\$ 1,762,112	\$ 751,550
Loan funds -		
Advances to students	\$ 4,401,698	\$ 4,370,623
Allowance for doubtful accounts	(248,236)	(243,467)
Subtotal	\$ 4,153,462	\$ 4,127,156
Endowment funds-		
Accounts receivable	\$ 184	\$ -
Plant funds -		
Advance to Commonwealth of Kentucky	\$ -	\$ 645,476
Agency funds -		
State agencies	\$ -	\$ 34,000
Total	\$ 6,956,759	\$ 6,433,258

**Note 5. Assets Held by MSU Foundation**

Assets held by the Murray State University Foundation are invested in an investment pool managed by the Foundation and are carried at fair market value. The assets in the pool are invested as follows: securities of the U.S. government and its agencies, 55%; marketable equity securities, 24%; certificates of deposit, 9%; and other 12%.

**Note 6. Property, Plant, and Equipment**

A summary of property, plant, and equipment at June 30 follows:

	1996	1995
Land	\$ 2,667,739	\$ 2,563,393
Buildings	92,697,922	92,377,123
Improvements other than buildings	8,623,883	7,909,692
Equipment	24,439,066	23,199,108
Library holdings	17,210,513	16,580,258
Construction in progress	9,911,629	4,774,616
Total	<u>\$ 155,550,752</u>	<u>\$ 147,404,190</u>

During the year ended June 30, 1996, the University capitalized interest cost of approximately \$403,000.

**Note 7. Employee Benefits**

**A. Kentucky Teachers Retirement System:**

All faculty and exempt employees required to hold a degree and occupying full-time positions, defined as seven-tenths (7/10) of normal full-time service on a daily or weekly basis, are required by state law to participate in the Kentucky Teachers Retirement system (KTRS). KTRS, a cost sharing, multiple-employer, public employee retirement system, provides retirement benefits based on an employee's final average salary and number of years service. Benefits are subject to certain reductions if the employee retires before reaching age sixty, unless the employee has twenty-seven or more years of participation in the plan. The plan also provides for disability retirement, death and survivor benefits and medical insurance.

The Kentucky Teachers Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Teachers Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601-3868 or by calling (502)573-5120.

Funding for the plan is provided from eligible employees who contribute 6.16% of their salary through payroll deductions and the Commonwealth of Kentucky, which also indirectly contributes 13.84% of current eligible employees' salaries to the KTRS through appropriations to the University. Contribution requirements of the plan members and the University are established by Kentucky Revised Statute and the KTRS Board of Trustees. The University's contributions of KTRS for the fiscal years ending June 30, 1996, 1995 and 1994 were \$3,403,658, \$3,223,192 and \$3,030,043, respectively, equal to the required contributions for each year.

**Note 7. Employee Benefits (cont.)**

**B. Kentucky Employee Retirement System:**

Substantially all other full-time University employees are required by law to participate in the Kentucky Employee Retirement System (KERS), a cost sharing multiple-employer, public employee retirement system. KERS provides retirement benefits based on an employee's final average salary and number of years of service. Benefits are subject to certain reductions if the employee retires before reaching age sixty-five or less than twenty-seven years of service. The plan also provides for disability retirement, death and survivor benefits and medical insurance.

The Kentucky Employee Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Employees Retirement System, 1260 Louisville Road, Perimeter Park West, Frankfort, Kentucky 40601 or by calling (502)564-4646.

Funding for the plan is provided from eligible employees who contribute 5.00% of their salary through payroll deductions and the Commonwealth of Kentucky, which also indirectly contributes 8.56% of current eligible employees' salaries to the KERS through appropriations to the University. University contribution rates are determined by the Kentucky Revised Statute and the Board of Trustees of the Kentucky Retirement Systems each biennium. The University's contributions to KERS for the years ending June 30, 1996, 1995, and 1994 were \$804,525, \$772,003 and \$662,952, respectively, equal to the required contributions for each year.

**C. University Self-Insurance Program:**

The University maintains a self-insurance program for employees' health and accident insurance. The University pays substantially all expenses of the plan for permanent full-time employees and their families. Expenses incurred to cover claims paid by the University under the plan for year ending June 30, 1996 totaled \$2,889,198.

**Note 8. Bonds Payable**

Bonds payable at June 30, 1996, consist of the following:

	<u>Outstanding</u>
Consolidated Educational Buildings Revenue bonds, issued 1961 to 1993, with maturities to 2012, interest rates 2.6% to 8.0%	\$ 21,943,000
Consolidated Housing and Dining System Revenue Bonds, issued 1965 to 1968, with maturities to 2008, interest rates 2.75% to 3.63%	5,217,000
Others issued 1987 to 1995, with maturities to 2015, interest rates 2.4% to 6.75%	<u>4,582,144</u>
Total	<u>\$ 31,742,144</u>

Revenues from student housing and dining facilities, certain other auxiliary enterprises and student fees are pledged for the retirement of the bonds. All bonds are collateralized by land and buildings.



**Note 8. Bonds Payable (cont.)**

A schedule of the mandatory principal payments for the next five fiscal years and thereafter is presented below:

Year Ending June 30	Consolidated Educational Buildings Revenue Bonds	Housing and Dining System Revenue Bonds	State Property and Building Commission Bonds	Total
1997	\$ 2,410,000	\$ 510,000	\$ 222,433	\$ 3,142,433
1998	2,528,000	525,000	239,444	3,292,444
1999	2,650,000	545,000	223,619	3,418,619
2000	1,935,000	560,000	230,675	2,725,675
2001	1,300,000	580,000	247,611	2,127,611
Thereafter	11,120,000	2,497,000	3,418,362	17,035,362
Total	<u>\$ 21,943,000</u>	<u>\$ 5,217,000</u>	<u>\$ 4,582,144</u>	<u>\$ 31,742,144</u>

The required minimum reserves of \$3,543,480 and \$679,204 for the Consolidated Educational Sinking Fund and the Housing and Dining Sinking Fund, respectively, are on deposit with the trustee and are included in the "Cash" and "Investments" amounts in Plant Funds in the accompanying balance sheet.

**Note 9. Litigation**

The University has been named as defendant in several lawsuits. It is the opinion of management and its legal counsel, based in part on the doctrine of sovereign immunity and other statutory provisions, that the ultimate outcome of litigation will not have a material effect on the future operations or financial position of the University.

**Note 10. Murray State University Foundation, Inc.**

Murray State University Foundation, Inc. (the Foundation) is a Kentucky not-for-profit corporation formed to receive and invest funds as agent for the University. The Foundation also operates the Francis E. Miller Golf Course as a separate enterprise, and manages certain endowments and investments on behalf of the University.

The Foundation has a Board of Trustees separate from that of the University; however, the President and certain other officers of the University are also officers of the Foundation.

The University provides office space and pays certain operating expenses of the Foundation in exchange for investment management services provided by the Foundation. The Foundation prepares and issues its own financial statements.

**Note 11. National Scouting Museum**

The National Scouting Museum of the Boy Scouts of America, Inc. (The Museum) operates a museum on the campus of the University. Under an agreement that expires on September 30, 2030, the University provides a building on the University's campus to house the Museum at no cost to the Museum and provides \$85,000 of direct support to the Museum annually. The University also provides office space and certain administrative services to the Museum at no charge.

MURRAY STATE UNIVERSITY  
BALANCE SHEET SCHEDULE  
CURRENT UNRESTRICTED FUNDS  
As of June 30, 1996  
With Comparative Figures as of June 30, 1995

	1996				
	Educational and General	Auxiliaries	Total		1995
<b>ASSETS</b>					
Cash	\$ 267,654	\$ 223,195	\$ 490,849	\$	1,331,545
Investments	11,149,729	213,813	11,363,542		12,083,186
Accounts and loans receivable, net	697,030	343,971	1,041,001		875,076
Interest receivable	174,411	15,369	189,780		164,055
Inventories	318,838	944,360	1,263,198		1,213,752
Prepaid expenses	145,692	913	146,605		147,085
Due from other funds	2,132,454	-	2,132,454		679,386
Total assets	<u>\$ 14,885,808</u>	<u>\$ 1,741,621</u>	<u>\$ 16,627,429</u>	<u>\$</u>	<u>16,494,085</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	\$ 1,089,634	\$ 233,293	\$ 1,322,927	\$	1,306,540
Payroll related accruals	2,710,878	189,641	2,900,519		3,235,563
Accrued expenses and other liabilities	526,241	26,019	552,260		1,123,007
Deposits	1,355	259,241	260,596		236,726
Deferred revenues	819,947	15,131	835,078		554,912
Due to other funds	604,352	253,857	858,209		-
Total liabilities	<u>\$ 5,752,407</u>	<u>\$ 977,182</u>	<u>\$ 6,729,589</u>	<u>\$</u>	<u>6,456,748</u>
Fund Balance:					
Allocated for:					
Working capital	\$ 1,190,279	\$ 133,122	\$ 1,323,401	\$	1,827,504
Prior year carryovers:					
Renovation and maintenance	1,855,482	463,920	2,319,402		1,874,126
Other	2,982,041	108,089	3,090,130		3,513,202
Encumbrances	353,791	59,308	413,099		925,382
Reserve for general contingency	1,851,808	-	1,851,808		997,123
Reserve for self insurance	900,000	-	900,000		900,000
Total fund balance	<u>\$ 9,133,401</u>	<u>\$ 764,439</u>	<u>\$ 9,897,840</u>	<u>\$</u>	<u>10,037,337</u>
Total liabilities and fund balance	<u>\$ 14,885,808</u>	<u>\$ 1,741,621</u>	<u>\$ 16,627,429</u>	<u>\$</u>	<u>16,494,085</u>

MURRAY STATE UNIVERSITY  
**SUMMARY OF CHANGES AND ALLOCATIONS IN FUND BALANCE**  
**CURRENT UNRESTRICTED FUNDS**  
For the Year Ended June 30, 1996  
With Comparative Figures as of June 30, 1995

	1996			1995
	Educational and General	Auxiliaries	Total	
<b>Fund Balance - Beginning July 1</b>				
Working capital	\$ 1,092,235	\$ 735,269	\$ 1,827,504	\$ 1,934,922
Prior year carryovers:				
Renovation and maintenance	1,520,305	353,821	1,874,126	2,365,103
Other	3,476,804	36,398	3,513,202	2,749,016
Encumbrances	880,402	44,980	925,382	467,077
Reserve for general contingency	997,123	-	997,123	913,999
Reserve for self insurance	900,000	-	900,000	650,000
Total fund balances - July 1	\$ 8,866,869	\$ 1,170,468	\$ 10,037,337	\$ 9,080,117
<b>Increase/(Decrease) - Year to Date</b>				
Revenues	\$ 66,097,725	\$ 12,106,883	\$ 78,204,608	\$ 74,227,843
Expenditures	(61,534,813)	(11,673,150)	(73,207,963)	(67,568,288)
Mandatory transfers				
Debt service	(3,706,658)	(594,782)	(4,301,440)	(4,262,235)
Loan match	(1,634)	-	(1,634)	(3,257)
Phone switch note payable	-	-	-	(197,601)
Non-Mandatory transfers				
From CERR	1,312,623	-	1,312,623	278,870
(To) plant funds	(1,978,031)	(167,660)	(2,145,691)	(1,517,657)
From (to) education and general	77,320	(77,320)	-	-
Other changes	-	-	-	(455)
Total year to date increase/(decrease) in fund balance	\$ 266,532	\$ (406,029)	\$ (139,497)	\$ 957,220
<b>Fund Balance - Ending June 30</b>				
Working capital	\$ 1,190,279	\$ 133,122	\$ 1,323,401	\$ 1,827,504
Prior year carryovers:				
Renovation and maintenance	1,855,482	463,920	2,319,402	1,874,126
Other	2,982,041	108,089	3,090,130	3,513,202
Encumbrances	353,791	59,308	413,099	925,382
Reserve for general contingency	1,851,808	-	1,851,808	997,123
Reserve for self insurance	900,000	-	900,000	900,000
Total fund balances - June 30	\$ 9,133,401	\$ 764,439	\$ 9,897,840	\$ 10,037,337

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS REVENUES**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			1995
	Unrestricted	Restricted	Total	
<b>EDUCATIONAL AND GENERAL REVENUES</b>				
Tuition and fees:				
Fall	\$ 8,615,684	\$ -	\$ 8,615,684	\$ 7,886,664
Spring	8,190,938	-	8,190,938	7,480,879
Summer II	484,054	-	484,054	492,436
Summer I	1,184,139	-	1,184,139	1,008,971
Miscellaneous tuition	840	-	840	1,308
Student activity fees	1,670,845	-	1,670,845	1,642,726
Other course fees	459,633	-	459,633	449,334
Total tuition and fees	\$ 20,606,133	\$ -	\$ 20,606,133	\$ 18,962,318
State appropriations	\$ 39,945,600	\$ -	\$ 39,945,600	\$ 38,955,400
Grants and contracts:				
Federal work study	\$ -	\$ 370,652	\$ 370,652	\$ 381,970
Federal PELL	-	3,521,211	3,521,211	3,451,861
Federal SEOG	-	319,002	319,002	311,422
Grants and contracts - federal	-	3,171,851	3,171,851	2,391,368
Grants and contracts - state	-	1,895,439	1,895,439	1,641,605
Grants and contracts - other	-	411,542	411,542	547,875
Grants and contracts - foundation	-	1,098,179	1,098,179	-
Total grants and contracts	\$ -	\$ 10,787,876	\$ 10,787,876	\$ 8,726,101
Indirect and administrative costs recovered:				
Federal/state grant cost	\$ 154,744	\$ -	\$ 154,744	\$ 146,192
Financial aid cost reimbursement	89,693	-	89,693	97,940
Total indirect and administrative costs recovered	\$ 244,437	\$ -	\$ 244,437	\$ 244,132
Sales and services - educational departments:				
Archeology service center	\$ 18,048	\$ -	\$ 18,048	\$ 23,467
Art cash sales	27,474	-	27,474	27,227
Art workshops	11,077	-	11,077	11,115
Belize tropical escape	579	-	579	2,316
Biology station income	5,593	-	5,593	1,636
Breathitt vet center	201,382	-	201,382	194,166
Chemical services	-	-	-	15
Child development center	12,050	-	12,050	9,300
Clinical services	40,451	-	40,451	45,876
English language institute	592,811	-	592,811	538,783
Environmental education	-	-	-	100
Environmental education pre-service workshop	3,693	-	3,693	4,828
Fall business education conference	870	-	870	750
Farm	190,239	-	190,239	219,905
Foreign language services	10	-	10	50
High school journalism workshop	1,370	-	1,370	1,494
Jesse Stuart collection	-	-	-	675
KIIS consortium	608,053	-	608,053	635,414
Keyboard recruiting	560	-	560	315
Learning center fees	4,249	-	4,249	-
MARC service center	216	-	216	4,493
Murray State News advertising	76,773	-	76,773	77,825
Murray State X-ray lab	5,375	-	5,375	7,900
Music workshop	8,660	-	8,660	7,305
Office systems service center	2,231	-	2,231	2,579
Pediatric assessment	3,240	-	3,240	3,240

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS REVENUES (cont.)**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			1995
	Unrestricted	Restricted	Total	
<b>EDUCATIONAL AND GENERAL</b>				
<b>REVENUES (cont.)</b>				
Sales and services-educational departments (cont.)				
Psychology center	\$ -	\$ -	\$ -	\$ 15
Recording studio	1,267	-	1,267	555
Safety engineering and health workshop	60	-	60	1,064
School service office	190	-	190	-
Shield	38,806	-	38,806	34,213
Summer writing workshop	830	-	830	1,005
TV studio	576	-	576	1,609
University theatre	15,779	-	15,779	15,517
Waterfield business and government center	1,232	-	1,232	840
Yucatan program	-	-	-	6,831
Total sales and services	\$ 1,873,744	\$ -	\$ 1,873,744	\$ 1,882,423
Other sources:				
Athletics	\$ 369,647	\$ -	\$ 369,647	\$ 267,581
Athletics - concessions	70,879	-	70,879	58,252
Athletics - guarantees	82,200	-	82,200	65,050
Athletics - NCAA revenue	183,436	-	183,436	202,979
Athletics - OVC basketball tournament	6,000	-	6,000	11,406
Athletics - marketing	29,245	-	29,245	26,466
Athletics - football playoff	51,072	-	51,072	-
Athletics - programs	15,668	-	15,668	16,612
Athletics - regional tournament concessions	21,724	-	21,724	23,751
Bad debt expense recovery	5,360	-	5,360	6,491
Boar test unit	-	-	-	8,165
Boots Randolph	7,725	-	7,725	-
Camps				
Baseball clinic	5,005	-	5,005	5,185
Mens' basketball	29,658	-	29,658	33,436
Ladies' basketball	3,450	-	3,450	2,925
Golf	6,000	-	6,000	14,500
Tennis	17,665	-	17,665	43,150
Campus lights	6,196	-	6,196	3,391
Central stores	29,889	-	29,889	52,320
Chemistry breakage fees	4,794	-	4,794	4,368
Community education	5,146	-	5,146	47,293
Conferences and workshops	117,222	-	117,222	25,153
Consolidated educational revenue fund interest	817,952	-	817,952	785,365
Contract residuals	8,386	-	8,386	41,575
Cooperative education/placement income	6,749	-	6,749	6,556
Counseling and testing	10,700	-	10,700	10,608
Environmental Consortium of Mid-America	4,250	-	4,250	-
Faculty resource center	4,247	-	4,247	4,383
Festival of champions	32,264	-	32,264	22,131
Forensics team	1,923	-	1,923	-
Friends of Oakhurst	112	-	112	452
Graphic arts technology	8,622	-	8,622	8,190
Hazardous waste and material training	133,118	-	133,118	141,053
International student orientation	2,940	-	2,940	3,150
Intramurals income	6,082	-	6,082	4,899
Kentucky honors roundtable	1,450	-	1,450	1,925
Library - census microfilm	657	-	657	1,592
Library - copy service	53,665	-	53,665	53,066
Library - fines	19,852	-	19,852	21,562
Library - interlibrary loan	998	-	998	787

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS REVENUES (cont.)**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			
	Unrestricted	Restricted	Total	1995
<b>EDUCATIONAL AND GENERAL</b>				
<b>REVENUES (cont.)</b>				
<b>Other sources (cont.)</b>				
Library - other income	\$ 12,058	\$ -	\$ 12,058	\$ 8,571
Livestock and exposition center	85,515	-	85,515	79,764
Magic silver show	5,027	-	5,027	200
Meal management luncheons	779	-	779	548
Music recital income	484	-	484	654
National student exchange	700	-	700	1,200
Nursing continuing ed	385	-	385	1,259
Operating fund interest income	209,196	-	209,196	149,965
Other income	161,121	-	161,121	17,549
Perkins loan recovery	5,575	-	5,575	6,889
Post office box rent	6,599	-	6,599	5,883
Post office contract	8,000	-	8,000	8,000
Printing	33,468	-	33,468	23,892
Psychology copy account	527	-	527	516
Quad state	22,330	-	22,330	18,032
Recycling program	12,842	-	12,842	9,786
Regensburg exchange	58,820	-	58,820	71,837
Regional tournaments				
Boys'	10,245	-	10,245	10,457
Girls'	6,409	-	6,409	7,869
Rentals	7,302	-	7,302	2,817
Rodeo income	2,659	-	2,659	6,025
ROTC equipment	1,263	-	1,263	(9)
Sale of surplus property	47,631	-	47,631	29,293
Senior breakfast	1,044	-	1,044	898
String prep program	6,057	-	6,057	4,465
Stocker calves project	24,278	-	24,278	-
Student government association	62,466	-	62,466	70,712
Summer challenge	2,725	-	2,725	-
Summer chess camp	-	-	-	25,320
Summer computer science workshop	991	-	991	1,100
Summer orientation	93,309	-	93,309	59,079
Super Saturdays	14,245	-	14,245	12,157
Technology center	46,040	-	46,040	13,393
Telecommunications commissions	246,557	-	246,557	294,790
Wellness center	-	-	-	68
West Kentucky environmental education consortium	11,043	-	11,043	9,308
Wickliffe mounds gift shop	6,501	-	6,501	6,039
Wickliffe mounds research center	25,192	-	25,192	18,226
Young authors camp	6,480	-	6,480	3,659
Total other sources	\$ 3,427,811	\$ -	\$ 3,427,811	\$ 3,005,979
Total Educational and General	\$ 66,097,725	\$ 10,787,876	\$ 76,885,601	\$ 71,776,353

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS REVENUES (cont.)**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			
	Unrestricted	Restricted	Total	1995
<b>AUXILIARY ENTERPRISES REVENUES</b>				
Food services	\$ 4,019,944	\$ -	\$ 4,019,944	\$ 3,850,672
Housing services	4,357,496	-	4,357,496	4,152,675
Bookstore	3,107,393	-	3,107,393	2,614,699
Curris center	180,766	-	180,766	181,051
Parking				
Fines	157,910	-	157,910	115,938
Permits	82,860	-	82,860	80,874
Other	10,827	-	10,827	18,164
Racer card administration	53,997	-	53,997	53,212
Vending & manual commissions	135,690	-	135,690	110,306
College workstudy student wages	-	52,905	52,905	50,305
Total Auxiliary Enterprises	\$ 12,106,883	\$ 52,905	\$ 12,159,788	\$ 11,227,896
Total Current Revenues	\$ 78,204,608	\$ 10,840,781	\$ 89,045,389	\$ 83,004,249

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			
	Unrestricted	Restricted	Total	1995
<b>EDUCATIONAL AND GENERAL EXPENDITURES -</b>				
<b>Instruction:</b>				
<i>College of Business and Public Affairs:</i>				
Accounting and finance	\$ 741,343	\$ -	\$ 741,343	\$ 737,582
Computer studies	656,261	-	656,261	694,918
Economics and finance	800,724	-	800,724	687,517
Management and marketing	890,950	-	890,950	853,321
Office systems and business education	431,041	-	431,041	381,516
Political science and legal studies	653,390	-	653,390	642,348
MBA program	7,195	-	7,195	5,969
National model project	33	-	33	-
Owensboro MBA	9,377	-	9,377	9,261
Fall business education conference	1,118	-	1,118	1,025
Summer computer science workshop	686	-	686	636
Other instruction	17,254	-	17,254	81
<i>Total College of Business and Public Affairs</i>	<i>\$ 4,209,372</i>	<i>\$ -</i>	<i>\$ 4,209,372</i>	<i>\$ 4,014,174</i>
<i>College of Fine Arts and Communication:</i>				
Art	\$ 923,722	\$ -	\$ 923,722	\$ 885,768
Art cash sales	22,642	-	22,642	19,178
Art workshops	15,715	-	15,715	6,939
Journalism, radio and television	652,273	-	652,273	625,461
High school journalism and broadcasting workshop	1,293	-	1,293	1,239
Music	1,117,373	-	1,117,373	981,368
Keyboard recruiting	239	-	239	451
Speech, communication and theatre	699,112	-	699,112	594,581
String prep program	6,012	-	6,012	4,126
Television studios	37,327	-	37,327	35,879
Other instruction	1,300	-	1,300	825
Indirect costs	-	-	-	26
<i>Total College of Fine Arts and Communication</i>	<i>\$ 3,477,008</i>	<i>\$ -</i>	<i>\$ 3,477,008</i>	<i>\$ 3,155,841</i>
<i>College of Science:</i>				
Nursing	\$ 767,471	\$ -	\$ 767,471	\$ 704,037
Nursing - continuing education	2,782	-	2,782	2,409
Biological sciences	924,988	-	924,988	921,773
Biological station	9,598	-	9,598	7,652
Chemistry	777,754	-	777,754	720,077
Geosciences	408,581	-	408,581	356,662
Mathematics	1,049,762	-	1,049,762	977,203
Physics and astronomy	541,938	-	541,938	538,366
<i>Total College of Science</i>	<i>\$ 4,482,874</i>	<i>\$ -</i>	<i>\$ 4,482,874</i>	<i>\$ 4,228,179</i>
<i>College of Education:</i>				
Elementary and secondary education	\$ 1,237,775	\$ -	\$ 1,237,775	\$ 1,132,582
Environmental education center	5,798	-	5,798	4,670
Environmental education preservice	3,584	-	3,584	3,837
West Kentucky environmental education consortium	11,960	-	11,960	6,271



MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			1995
	Unrestricted	Restricted	Total	
<b>EDUCATION AND GENERAL (cont.)</b>				
<b>Instruction (cont.)</b>				
<i>College of Education (cont.)</i>				
Educational leadership and counseling	\$ 444,781	\$ -	\$ 444,781	\$ 414,333
American humanics	78,810	-	78,810	73,598
Health, physical education and recreation	660,262	-	660,262	627,807
Special education	493,796	-	493,796	469,258
Speech and hearing workshops	-	-	-	(79)
Office of field services	201,165	-	201,165	186,276
Other instruction	58,679	-	58,679	30,524
<b>Total College of Education</b>	<b>\$ 3,196,610</b>	<b>\$ -</b>	<b>\$ 3,196,610</b>	<b>\$ 2,949,077</b>
<i>College of Humanistic Studies:</i>				
English	\$ 1,527,863	\$ -	\$ 1,527,863	\$ 1,489,465
English computer lab	86,639	-	86,639	51,840
ELI program	554,512	-	554,512	427,429
Foreign languages	522,921	-	522,921	454,866
Foreign language lab	2,286	-	2,286	2,716
History	731,361	-	731,361	680,344
Philosophy and religious studies	178,147	-	178,147	173,248
Psychology	590,122	-	590,122	547,706
Regensburg exchange	67,103	-	67,103	75,153
Sociology and anthropology	549,044	-	549,044	537,574
Stuart writing conference	7,612	-	7,612	6,320
Kentucky institute for international studies	596,651	-	596,651	592,719
Humanistic studies copy account	(1,415)	-	(1,415)	(1,460)
Yucatan program	(20)	-	(20)	6,760
Other instruction	61,925	-	61,925	71,918
Notations	1,049	-	1,049	107
<b>Total College of Humanistic Studies</b>	<b>\$ 5,475,800</b>	<b>\$ -</b>	<b>\$ 5,475,800</b>	<b>\$ 5,116,705</b>
<i>College of Industry and Technology:</i>				
Graphic arts technology	\$ 235,370	\$ -	\$ 235,370	\$ 224,984
The technology center	17,351	-	17,351	17,068
Industrial education and technology	1,174,526	-	1,174,526	1,036,225
Safety engineering and health	557,215	-	557,215	521,050
Safety engineering and health workshops	210	-	210	1,634
Military science	31,361	-	31,361	40,517
Agriculture	719,777	-	719,777	715,917
Animal health technology	208,794	-	208,794	142,057
Rodeo	27,869	-	27,869	29,860
Home economics	385,927	-	385,927	370,511
Home economics travel study tours	-	-	-	173
Child development	10,396	-	10,396	15,897
CIT Services	4,207	-	4,207	-
Indirect costs	-	-	-	956
Other instruction	300	-	300	4,100
<b>Total College of Industry and Technology</b>	<b>\$ 3,373,303</b>	<b>\$ -</b>	<b>\$ 3,373,303</b>	<b>\$ 3,120,949</b>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1996  
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	1996			
	Unrestricted	Restricted	Total	1995
<b>EDUCATION AND GENERAL (cont.)</b>				
<b>Instruction (cont.)</b>				
<i>Other instruction:</i>				
Bowling course fees	\$ 3,850	\$ -	\$ 3,850	\$ 4,953
Communication across the curriculum	5,823	-	5,823	2,474
Computer for instruction and research	250,000	-	250,000	250,000
Consultants	5,651	-	5,651	9,198
Area health education system	56,605	-	56,605	54,754
Bachelor of independent study degree	121,545	-	121,545	128,964
Belize tropical escape	3,174	-	3,174	(300)
Center for economic education	3,298	-	3,298	2,065
Center for international programs	184,443	-	184,443	173,691
Sports camps	32,099	-	32,099	71,153
Summer chess camp	15,644	-	15,644	18,255
Correspondence study	198	-	198	42
Extended campus programs	481,318	-	481,318	481,243
Festival of champions	35,699	-	35,699	20,922
Fine arts building fire damage	2,012	-	2,012	144,033
Golf course green fees	2,097	-	2,097	2,575
Hazardous waste	1,743	-	1,743	2,125
Honors program	38,776	-	38,776	40,740
Indirect costs - VPAA	11,012	-	11,012	11,843
Instructional support	26,666	-	26,666	36,316
Kentucky academic decathlon	1,287	-	1,287	2,931
KTLN grant match	27,384	-	27,384	-
Presidential scholar	3,388	-	3,388	3,832
Quad state fesitvals	26,108	-	26,108	20,056
Russian experience	-	-	-	390
Special ed multi-media and assistive technology center	16,781	-	16,781	17,932
Summer challenge	795	-	795	-
Summer leaves and salaries	725,237	-	725,237	698,641
Super Saturdays	6,631	-	6,631	7,555
Trumpet workshop	10,501	-	10,501	2,870
Unallotted academic programs	79,918	-	79,918	54,181
West Kentucky dance festival	-	-	-	375
Young authors camp	5,002	-	5,002	4,388
Accrued vacation	(5,371)	-	(5,371)	-
Instruction accrued compensation expense	11,922	-	11,922	33,330
Murray State University Foundation	-	148,634	148,634	-
Instruction workstudy	-	178,455	178,455	178,133
Matching grants and contracts	-	1,823,198	1,823,198	1,957,091
<i>Total other instruction</i>	<i>\$ 2,191,236</i>	<i>\$ 2,150,287</i>	<i>\$ 4,341,523</i>	<i>\$ 4,436,751</i>
<i>Community education:</i>				
Center for continuing education	\$ 252,843	\$ -	\$ 252,843	\$ 265,806
Community education	38,435	-	38,435	78,981
The Paducah center	106,706	-	106,706	118,058
<i>Total community education</i>	<i>\$ 397,984</i>	<i>\$ -</i>	<i>\$ 397,984</i>	<i>\$ 462,845</i>

**MURRAY STATE UNIVERSITY**  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1996  
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	1996			1995
	Unrestricted	Restricted	Total	
<b>EDUCATION AND GENERAL (cont.)</b>				
<b>Instruction (cont.)</b>				
Preparatory/remedial instruction:				
Learning center	\$ 241,681	\$ -	\$ 241,681	\$ 214,482
<b>Total preparatory/remedial instruction</b>	<b>\$ 241,681</b>	<b>\$ -</b>	<b>\$ 241,681</b>	<b>\$ 214,482</b>
<b>Total instruction</b>	<b>\$ 27,045,868</b>	<b>\$ 2,150,287</b>	<b>\$ 29,196,155</b>	<b>\$ 27,699,003</b>
<b>Research:</b>				
Institutional sponsored research	\$ 19,557	\$ -	\$ 19,557	\$ 21,178
Center of excellence and ecosystems studies	406,621	-	406,621	386,418
Mid-America remote sensing center	144,965	-	144,965	163,428
Stocker calves project	8,151	-	8,151	13,127
Research accrued compensation expense	(398)	-	(398)	949
Murray State University Foundation	-	7,513	7,513	-
Research workstudy	-	2,604	2,604	2,510
Matching grants and contracts	73,558	521,086	594,644	595,483
<b>Total research</b>	<b>\$ 652,454</b>	<b>\$ 531,203</b>	<b>\$ 1,183,657</b>	<b>\$ 1,183,093</b>
<b>Public service:</b>				
<b>Community service:</b>				
School services office	\$ 4,503	\$ -	\$ 4,503	\$ 5,651
Archeology service center	16,606	-	16,606	44,437
Conferences and workshops	91,977	-	91,977	23,365
Celebrate women	3,602	-	3,602	1,844
<b>Breathitt Veterinary Center:</b>				
Administrative services	705,107	-	705,107	630,741
Clinical pathology	113,599	-	113,599	110,521
DNA diagnostics	68,871	-	68,871	92,820
Diagnostic and research capital	3,012	-	3,012	4,046
Histology	102,246	-	102,246	91,822
Seaboard farms	20,525	-	20,525	42,656
Serology	144,247	-	144,247	139,490
Swine health day	2,770	-	2,770	-
Virology	187,031	-	187,031	182,935
Microbiology	239,928	-	239,928	261,268
Pathology	419,887	-	419,887	465,387
Therapy and field services	67,147	-	67,147	32,329
Toxicology	152,577	-	152,577	263,426
Graphic arts video	8,486	-	8,486	3,042
National Boy Scout Museum	83,309	-	83,309	85,817
Waterfield center	2,016	-	2,016	2,851
Livestock and exposition center	152,340	-	152,340	177,459
MSU X-ray lab	6,416	-	6,416	5,835
Clinical services	39,046	-	39,046	24,418
<b>Total community service</b>	<b>\$ 2,635,248</b>	<b>\$ -</b>	<b>\$ 2,635,248</b>	<b>\$ 2,692,160</b>
<b>Public broadcasting services:</b>				
WKMS - radio station	\$ 189,067	\$ -	\$ 189,067	\$ 183,044
<b>Total public broadcasting services</b>	<b>\$ 189,067</b>	<b>\$ -</b>	<b>\$ 189,067</b>	<b>\$ 183,044</b>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
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	1996			1995
	Unrestricted	Restricted	Total	
<b>EDUCATION AND GENERAL (cont.)</b>				
<b>Public Service (cont.)</b>				
<i>Other public service:</i>				
Baseball clinic	\$ 4,063	\$ -	\$ 4,063	\$ 8,892
Biological station facilities	4,357	-	4,357	281
Boar test unit	162	-	162	3,990
Community service workstudy	2,300	-	2,300	3,609
Hazardous materials worker training project	158,660	-	158,660	157,198
Public service accrued compensation expense	(172)	-	(172)	10,040
Murray State University Foundation	-	186,489	186,489	-
Public service workstudy	-	15,875	15,875	17,492
Matching grants and contracts	76,348	485,843	562,191	387,994
<i>Total other public service</i>	<i>\$ 245,718</i>	<i>\$ 688,207</i>	<i>\$ 933,925</i>	<i>\$ 589,496</i>
<i>Total public service</i>	<i>\$ 3,070,033</i>	<i>\$ 688,207</i>	<i>\$ 3,758,240</i>	<i>\$ 3,464,700</i>
<b>Libraries:</b>				
Library	\$ 2,206,867	\$ -	\$ 2,206,867	\$ 2,077,765
Census microfilm program	910	-	910	1,444
Library copy service	63,381	-	63,381	31,157
Interlibrary loan	733	-	733	699
Library accrued compensation expense	(4,252)	-	(4,252)	947
Murray State University Foundation	-	19,407	19,407	-
Library workstudy	-	38,515	38,515	39,181
Matching grants and contracts	-	-	-	12
<i>Total libraries</i>	<i>\$ 2,267,639</i>	<i>\$ 57,922</i>	<i>\$ 2,325,561</i>	<i>\$ 2,151,205</i>
<b>Academic support:</b>				
<i>Museums, galleries, and theatre:</i>				
Clara Eagle art gallery	\$ 11,221	\$ -	\$ 11,221	\$ 8,736
Recording studio	1,446	-	1,446	145
Summer arts academy	-	-	-	51
University theatre	24,301	-	24,301	37,672
Wrather West Kentucky museum	47,191	-	47,191	51,172
Wickliffe mounds	49,693	-	49,693	41,609
Wickliffe mounds gift shop	3,114	-	3,114	4,114
Wickliffe mounds welcome center	20,918	-	20,918	18,532
<i>Total museums, galleries, and theatre</i>	<i>\$ 157,884</i>	<i>\$ -</i>	<i>\$ 157,884</i>	<i>\$ 162,031</i>
<i>Educational media services:</i>				
Faculty resource center	\$ 184,163	\$ -	\$ 184,163	\$ 166,642
<i>Total educational media services</i>	<i>\$ 184,163</i>	<i>\$ -</i>	<i>\$ 184,163</i>	<i>\$ 166,642</i>
<i>Ancillary support:</i>				
Academic council	\$ 1,675	\$ -	\$ 1,675	\$ 696
Farms	214,110	-	214,110	227,139
Horticulture	6,797	-	6,797	6,757
Horses	71,013	-	71,013	60,963
Faculty senate	10,605	-	10,605	9,564
<i>Total ancillary support</i>	<i>\$ 304,200</i>	<i>\$ -</i>	<i>\$ 304,200</i>	<i>\$ 305,119</i>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1996  
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	1996			1995
	Unrestricted	Restricted	Total	
<b>EDUCATION AND GENERAL (cont.)</b>				
<b>Academic support (cont.)</b>				
<i>Academic administration:</i>				
Dean - business and public affairs	\$ 317,267	\$ -	\$ 317,267	\$ 310,792
Dean - fine arts and communication	258,453	-	258,453	304,492
Dean - science	473,598	-	473,598	500,764
Dean - education	440,000	-	440,000	447,565
Dean - humanistic studies	215,825	-	215,825	183,422
Dean - industry and technology	224,850	-	224,850	265,359
Office of grants development - sponsored programs	113,392	-	113,392	106,767
<i>Total academic administration</i>	<u>\$ 2,043,385</u>	<u>\$ -</u>	<u>\$ 2,043,385</u>	<u>\$ 2,119,161</u>
<i>Academic personnel development:</i>				
Faculty recruitment and travel	\$ 84,496	\$ -	\$ 84,496	\$ 101,378
Minority faculty recruitment	83,012	-	83,012	78,595
<i>Total academic personnel development</i>	<u>\$ 167,508</u>	<u>\$ -</u>	<u>\$ 167,508</u>	<u>\$ 179,973</u>
<i>Course and curriculum development:</i>				
Accreditations	\$ 6,636	\$ -	\$ 6,636	\$ 9,627
SACS re-accreditation	-	-	-	(178)
NCATE re-accreditation	18,075	-	18,075	-
Unit plan and program development	34,305	-	34,305	25,382
<i>Total course and curriculum development</i>	<u>\$ 59,016</u>	<u>\$ -</u>	<u>\$ 59,016</u>	<u>\$ 34,831</u>
<i>Other academic support:</i>				
Special programs	\$ 10,511	\$ -	\$ 10,511	\$ 9,674
Archeology lab	2,290	-	2,290	5,696
Boots Randolph	1,500	-	1,500	-
Education technology	21,023	-	21,023	-
Student advising center	-	-	-	21
Academic support accrued compensation expense	7,697	-	7,697	4,272
Murray State University Foundation	-	34,506	34,506	-
Academic support workstudy	-	25,502	25,502	30,838
Matching grants and contracts	19,335	1,230,854	1,250,189	437,009
<i>Total other academic support</i>	<u>\$ 62,356</u>	<u>\$ 1,290,862</u>	<u>\$ 1,353,218</u>	<u>\$ 487,510</u>
<i>Total academic support</i>	<u>\$ 2,978,512</u>	<u>\$ 1,290,862</u>	<u>\$ 4,269,374</u>	<u>\$ 3,455,267</u>
<b>Student services:</b>				
<i>Student service administration:</i>				
School relations	\$ 494,041	\$ -	\$ 494,041	\$ 486,918
Recruitment and retention	49,086	-	49,086	55,168
African-American recruitment	81,249	-	81,249	47,219
Student government association	218,364	-	218,364	187,294
Curris center administration	173,473	-	173,473	160,190
Office of university school	73,526	-	73,526	70,481
<i>Total student services administration</i>	<u>\$ 1,089,739</u>	<u>\$ -</u>	<u>\$ 1,089,739</u>	<u>\$ 1,007,270</u>
<i>Social and cultural development:</i>				
The Shield	\$ 53,228	\$ -	\$ 53,228	\$ 48,258
Murray State University News	99,279	-	99,279	109,909
<i>Total social and cultural development</i>	<u>\$ 152,507</u>	<u>\$ -</u>	<u>\$ 152,507</u>	<u>\$ 158,167</u>

MURRAY STATE UNIVERSITY  
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	1996			1995
	Unrestricted	Restricted	Total	
<b>EDUCATION AND GENERAL (cont.)</b>				
<b>Student Services (cont.)</b>				
<i>Counseling and career guidance:</i>				
Counseling and testing center	\$ 251,477	\$ -	\$ 251,477	\$ 215,255
Cooperative education and placement	187,490	-	187,490	192,266
Catalogs and bulletins	134,680	-	134,680	76,744
<b>Total counseling and career guidance</b>	<b>\$ 573,647</b>	<b>\$ -</b>	<b>\$ 573,647</b>	<b>\$ 484,265</b>
<i>Student financial aid administration:</i>				
Student financial aid office	\$ 370,141	-	370,141	359,941
<b>Total student financial aid administration</b>	<b>\$ 370,141</b>	<b>\$ -</b>	<b>\$ 370,141</b>	<b>\$ 359,941</b>
<i>Student health services:</i>				
Health services	\$ 293,301	-	293,301	284,814
<b>Total student health services</b>	<b>\$ 293,301</b>	<b>\$ -</b>	<b>\$ 293,301</b>	<b>\$ 284,814</b>
<i>Intercollegiate athletics:</i>				
Athletic director	\$ 206,660	\$ -	\$ 206,660	\$ 176,297
Sports information director	63,268	-	63,268	43,036
Athletic trainer	153,640	-	153,640	129,090
Athletic concessions	45,931	-	45,931	35,806
Athletic marketing	12,486	-	12,486	7,236
Athletic photography	1,261	-	1,261	1,439
Athletic programs	6,697	-	6,697	10,397
Athletic ticket office	40,746	-	40,746	37,533
Basketball referee	10,956	-	10,956	-
Football	493,183	-	493,183	426,679
Football summer clinic	-	-	-	10
Football playoff	65,561	-	65,561	-
Harlem globetrotters	356	-	356	-
Men's basketball	343,813	-	343,813	320,722
NCAA tournament travel	-	-	-	63,123
OVC basketball tournament	21,057	-	21,057	12,765
OVC championship tourney	1,150	-	1,150	2,018
Regional tourney	5,651	-	5,651	7,797
NIT travel	11,749	-	11,749	-
Baseball	127,032	-	127,032	94,314
Men's and women's track	81,788	-	81,788	81,211
Men's tennis	45,057	-	45,057	37,984
Men's golf	28,394	-	28,394	26,335
Racer basketball camp III	21,135	-	21,135	30,503
Athletic compliance	73,483	-	73,483	71,265
Women's basketball	146,691	-	146,691	124,176
Women's golf	47,359	-	47,359	26,778
Women's tennis	44,834	-	44,834	37,152
Women's volleyball	62,613	-	62,613	52,332
Rifle team	20,339	-	20,339	12,388
Cheerleaders	14,422	-	14,422	17,530
<b>Total intercollegiate athletics</b>	<b>\$ 2,197,312</b>	<b>\$ -</b>	<b>\$ 2,197,312</b>	<b>\$ 1,885,916</b>

MURRAY STATE UNIVERSITY  
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For the Year Ended June 30, 1996  
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	1996			
	Unrestricted	Restricted	Total	1995
<b>EDUCATION AND GENERAL (cont.)</b>				
<b>Student Services (cont.)</b>				
<i>Student admissions and records:</i>				
Admissions and records	\$ 636,885	\$ -	\$ 636,885	\$ 602,426
Degree audit system	49,228	-	49,228	37,875
Commencement expense	32,611	-	32,611	43,471
Viewbook	97,652	-	97,652	-
Touch tone registration	77,937	-	77,937	15,142
<i>Total student admissions and records</i>	<u>\$ 894,313</u>	<u>\$ -</u>	<u>\$ 894,313</u>	<u>\$ 698,914</u>
<i>Other student services:</i>				
African-american program	\$ -	\$ -	\$ -	\$ 2,616
Co-curricular education	109,878	-	109,878	82,986
Crew team	8,050	-	8,050	-
Minority student services	56,160	-	56,160	59,360
Campus lights	3,715	-	3,715	2,473
Freedom fest concessions	1,945	-	1,945	2,208
First time experience	1,387	-	1,387	-
Forensic team	14,866	-	14,866	2,466
Indirect costs	20,136	-	20,136	16,393
National student exchange	4,030	-	4,030	50
Regional tournaments	20,922	-	20,922	21,649
Senior breakfast	2,822	-	2,822	3,282
Student ambassadors	809	-	809	1,490
Summer orientation	89,281	-	89,281	60,200
Wellness center	23,928	-	23,928	18,957
Women's center	1,357	-	1,357	1,133
Roads scholars	21,112	-	21,112	8,545
Student services accrued compensation expense	11,098	-	11,098	2,580
Student life improvement	-	-	-	14,025
Turkey students	750	-	750	-
Unallocated student affairs	-	-	-	15,766
Murray State University Foundation	-	324,724	324,724	-
Student services workstudy	-	51,402	51,402	56,162
Matching grants and contracts	3,983	201,797	205,780	177,814
<i>Total other student services</i>	<u>\$ 396,229</u>	<u>\$ 577,923</u>	<u>\$ 974,152</u>	<u>\$ 550,155</u>
<i>Total student services</i>	<u>\$ 5,967,189</u>	<u>\$ 577,923</u>	<u>\$ 6,545,112</u>	<u>\$ 5,429,442</u>
<b>Institutional support:</b>				
<i>Executive management:</i>				
Board of regents	\$ 7,282	\$ -	\$ 7,282	\$ 8,431
President's office	392,264	-	392,264	316,261
Vice president for academic affairs	358,469	-	358,469	338,388
Vice president for student development	197,566	-	197,566	181,588
Vice president for finance and administrative services	204,378	-	204,378	183,320
Inauguration	22,765	-	22,765	-
Institutional planning and research	34,706	-	34,706	51,254
Legal services	166,685	-	166,685	146,359
Legislative liaison	14,266	-	14,266	-
Overtime	-	-	-	(278)
<i>Total executive management</i>	<u>\$ 1,398,381</u>	<u>\$ -</u>	<u>\$ 1,398,381</u>	<u>\$ 1,225,323</u>

MURRAY STATE UNIVERSITY  
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	1996			1995
	Unrestricted	Restricted	Total	
<b>EDUCATION AND GENERAL (cont.)</b>				
<b><i>Institutional support (cont.)</i></b>				
<i>Fiscal operations:</i>				
Office of the budget	\$ 60,897	\$ -	\$ 60,897	\$ 95,801
Accounting and financial services	844,871	-	844,871	748,734
Bad debt expense	83,307	-	83,307	52,354
Bank service charge	64,001	-	64,001	42,306
<i>Total fiscal operations</i>	<u>\$ 1,053,076</u>	<u>\$ -</u>	<u>\$ 1,053,076</u>	<u>\$ 939,195</u>
<i>General administration and logistical services:</i>				
Accountability	\$ 2,663	\$ -	\$ 2,663	\$ 2,599
Purchasing and general services	390,975	-	390,975	406,192
Sale of surplus property	7,644	-	7,644	1,479
Central stores revolving fund	42,975	-	42,975	38,049
Personnel services	236,697	-	236,697	208,330
Campus safety	581,702	-	581,702	556,955
Microcomputer repair	64,721	-	64,721	59,852
Motor pool	188,426	-	188,426	146,245
Postal services	163,690	-	163,690	154,958
Recycling program	22,064	-	22,064	-
Rental property	789	-	789	320
Workers compensation	228,141	-	228,141	209,237
Scottish heritage	-	-	-	547
Unemployment compensation	16,204	-	16,204	11,250
Flex spending	21,226	-	21,226	15,564
Public address system	6,264	-	6,264	3,979
Telecommunications support	335,561	-	335,561	383,669
Vehicle replacement	78,970	-	78,970	41,548
<i>Total general administration and logistical services</i>	<u>\$ 2,388,712</u>	<u>\$ -</u>	<u>\$ 2,388,712</u>	<u>\$ 2,240,773</u>
<i>Public relations and development:</i>				
Office of development & alumni affairs	\$ 441,220	\$ -	\$ 441,220	\$ 470,945
Marketing and public relations	118,609	-	118,609	117,635
News bureau	82,991	-	82,991	100,218
Photography	1,454	-	1,454	2,591
Radio/ television	38,480	-	38,480	36,893
Office of publications	114,535	-	114,535	157,243
University publications	51,590	-	51,590	24,681
University wide events	15,002	-	15,002	15,055
<i>Total public relations and development</i>	<u>\$ 863,881</u>	<u>\$ -</u>	<u>\$ 863,881</u>	<u>\$ 925,261</u>
<i>Administrative computing support:</i>				
Computing and information systems	\$ 876,089	\$ -	\$ 876,089	\$ 777,064
<i>Total administrative computing support</i>	<u>\$ 876,089</u>	<u>\$ -</u>	<u>\$ 876,089</u>	<u>\$ 777,064</u>



MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			1995
	Unrestricted	Restricted	Total	
<b>EDUCATION AND GENERAL (cont.)</b>				
<i>Institutional support (cont.)</i>				
<i>Other institutional support:</i>				
Other	\$ 3,085	\$ -	\$ 3,085	\$ -
MSU staff congress	5,041	-	5,041	6,778
MSU staff congress awards	11,828	-	11,828	8,687
Employee scholarship	69,338	-	69,338	71,428
Employee spouse and dependent wavier	111,304	-	111,304	-
Employee physicals	4,683	-	4,683	-
Friends of oakhurst	-	-	-	607
Love letters	-	-	-	2,327
Miscellaneous institutional support	190,171	-	190,171	163,342
President search	-	-	-	3,084
Director of university relations search	447	-	447	-
Institutional advance search	3,595	-	3,595	-
Institutional support allocation to auxiliary	(481,748)	-	(481,748)	(481,748)
Utilities and required maintenance	16,867	-	16,867	-
Cardinal office	432	-	432	-
Ups clearing	636	-	636	-
MCI - MSU online	546	-	546	-
Touch tone inquiry	7,922	-	7,922	168
Condata maintenance	13,328	-	13,328	-
University audits	52,676	-	52,676	51,989
Accrued compensation expense	6,294	-	6,294	18,437
Murray State University Foundation	-	7,439	7,439	-
Institutional support workstudy	-	53,574	53,574	50,077
Matching grants and contracts	-	7,579	7,579	-
<i>Total other institutional support</i>	<i>\$ 16,445</i>	<i>\$ 68,592</i>	<i>\$ 85,037</i>	<i>\$ (104,824)</i>
<i>Total institutional support</i>	<i>\$ 6,596,584</i>	<i>\$ 68,592</i>	<i>\$ 6,665,176</i>	<i>\$ 6,002,792</i>
<i>Operation and maintenance of plant:</i>				
<i>Physical plant administration:</i>				
Administration	\$ 379,407	\$ -	\$ 379,407	\$ 353,324
Engineering and architectural services	100,706	-	100,706	101,657
Seasonal labor	31,115	-	31,115	33,886
<i>Total physical plant administration</i>	<i>\$ 511,228</i>	<i>\$ -</i>	<i>\$ 511,228</i>	<i>\$ 488,867</i>
<i>Building maintenance:</i>				
Building and equipment maintenance	\$ 1,938,371	\$ -	\$ 1,938,371	\$ 1,798,779
Grounds maintenance	480,730	-	480,730	469,270
Property insurance	231,668	-	231,668	230,202
<i>Total building maintenance</i>	<i>\$ 2,650,769</i>	<i>\$ -</i>	<i>\$ 2,650,769</i>	<i>\$ 2,498,251</i>
<i>Other operation and maintenance of plant:</i>				
Custodial maintenance	\$ 1,123,547	\$ -	\$ 1,123,547	\$ 1,098,574
Environmental safety and health	152,278	-	152,278	148,706
Utilities	2,413,510	-	2,413,510	2,203,902
Warehouse inventory	17,569	-	17,569	17,311
Chemical hazardous waste disposal	28,377	-	28,377	35,232
Major repairs and renovation	1,545,635	-	1,545,635	974,923

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			1995
	Unrestricted	Restricted	Total	
<b>EDUCATION AND GENERAL (cont.)</b>				
<b>Operation and maintenance of plant (cont.)</b>				
Other operations and maintenance of plant:				
Operation and maintenance of plant				
accrued compensation expense	\$ (9,321)	\$ -	\$ (9,321)	\$ 8,067
Murray State University Foundation	-	24,261	24,261	-
Operation and maintenance of plant workstudy	-	-	-	663
<b>Total other operation and maintenance of plant</b>	<b>\$ 5,271,595</b>	<b>\$ 24,261</b>	<b>\$ 5,295,856</b>	<b>\$ 4,487,378</b>
<b>Total operation and maintenance of plant</b>	<b>\$ 8,433,592</b>	<b>\$ 24,261</b>	<b>\$ 8,457,853</b>	<b>\$ 7,474,496</b>
<b>Student financial aid:</b>				
Scholarships and fellowships	\$ 3,203,995	\$ 431,785	\$ 3,635,780	\$ 3,147,631
Athletic grants-in-aid	1,219,485	-	1,219,485	1,070,840
Murray State University Foundation	-	345,207	345,207	-
Pell, and SEOG grant awards	99,462	4,621,627	4,721,089	4,594,152
<b>Total student financial aid</b>	<b>\$ 4,522,942</b>	<b>\$ 5,398,619</b>	<b>\$ 9,921,561</b>	<b>\$ 8,812,623</b>
<b>Total educational and general</b>	<b>\$ 61,534,813</b>	<b>\$ 10,787,876</b>	<b>\$ 72,322,689</b>	<b>\$ 65,672,621</b>
<b>Mandatory transfers:</b>				
Principal and interest	\$ 3,706,658	\$ -	\$ 3,706,658	\$ 3,648,316
Perkins fund matching grant	1,634	-	1,634	1,157
Phone switch note payable	-	-	-	197,601
<b>Total mandatory transfers</b>	<b>\$ 3,708,292</b>	<b>\$ -</b>	<b>\$ 3,708,292</b>	<b>\$ 3,847,074</b>
<b>Non-mandatory transfers:</b>				
From auxiliaries	\$ (77,320)	\$ -	\$ (77,320)	\$ (77,320)
From renewal and replacement	(1,312,623)	-	(1,312,623)	(278,869)
To unexpended plant fund	1,978,031	142,837	2,120,868	1,325,945
To endowment	-	140,724	140,724	-
<b>Total non-mandatory transfers</b>	<b>\$ 588,088</b>	<b>\$ 283,561</b>	<b>\$ 871,649</b>	<b>\$ 969,756</b>
<b>Total educational and general expenditures and transfers</b>	<b>\$ 65,831,193</b>	<b>\$ 11,071,437</b>	<b>\$ 76,902,630</b>	<b>\$ 70,489,451</b>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			1995
	Unrestricted	Restricted	Total	
<b>AUXILIARY ENTERPRISES EXPENDITURES-</b>				
Food service	\$ 3,896,030	\$ -	\$ 3,896,030	\$ 3,735,011
Housing	4,066,455	-	4,066,455	3,637,112
Bookstore	2,772,007	-	2,772,007	2,364,673
Curris center	607,645	-	607,645	569,547
University parking	135,573	-	135,573	144,059
Racer card administration	72,385	-	72,385	62,527
Vending and manual commissions	123,055	-	123,055	110,939
Auxiliary enterprises workstudy	-	52,905	52,905	50,305
<b>Total auxiliary enterprises expenditures</b>	<b>\$ 11,673,150</b>	<b>\$ 52,905</b>	<b>\$ 11,726,055</b>	<b>\$ 10,674,173</b>
<b>Mandatory transfers:</b>				
Principal and interest	\$ 594,782	\$ -	\$ 594,782	\$ 613,919
<b>Total mandatory transfers</b>	<b>\$ 594,782</b>	<b>\$ -</b>	<b>\$ 594,782</b>	<b>\$ 613,919</b>
<b>Non-mandatory transfers:</b>				
To educational and general	\$ 77,320	\$ -	\$ 77,320	\$ 77,320
To unexpended plant fund	167,660	-	167,660	281,000
<b>Total non-mandatory transfers</b>	<b>\$ 244,980</b>	<b>\$ -</b>	<b>\$ 244,980</b>	<b>\$ 358,320</b>
<b>Total auxiliary enterprises expenditures and transfers</b>	<b>\$ 12,512,912</b>	<b>\$ 52,905</b>	<b>\$ 12,565,817</b>	<b>\$ 11,646,412</b>
<b>Total current funds expenditures and transfers</b>	<b>\$ 78,344,105</b>	<b>\$ 11,124,342</b>	<b>\$ 89,468,447</b>	<b>\$ 82,135,863</b>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES  
AND TRANSFERS BY MAJOR OBJECT**  
For the Year Ended June 30, 1996  
With Comparative Figures as of June 30, 1995

	1996			1995
	Unrestricted	Restricted	Total	
<b>EDUCATIONAL AND GENERAL-</b>				
<b>Expenditures:</b>				
<b>Instruction:</b>				
Personnel services	\$ 24,428,647	\$ 1,398,356	\$ 25,827,003	\$ 24,363,260
Current operating expenses	2,309,161	681,850	2,991,011	2,839,989
Capital outlay	308,060	70,081	378,141	495,754
Total	<u>\$ 27,045,868</u>	<u>\$ 2,150,287</u>	<u>\$ 29,196,155</u>	<u>\$ 27,699,003</u>
<b>Research:</b>				
Personnel services	\$ 413,068	\$ 258,580	\$ 671,648	\$ 794,574
Current operating expenses	114,155	175,856	290,011	295,720
Capital outlay	125,231	96,767	221,998	92,799
Total	<u>\$ 652,454</u>	<u>\$ 531,203</u>	<u>\$ 1,183,657</u>	<u>\$ 1,183,093</u>
<b>Public service:</b>				
Personnel services	\$ 2,445,067	\$ 377,680	\$ 2,822,747	\$ 2,640,610
Current operating expenses	507,235	236,819	744,054	532,630
Capital outlay	117,731	73,708	191,439	291,460
Total	<u>\$ 3,070,033</u>	<u>\$ 688,207</u>	<u>\$ 3,758,240</u>	<u>\$ 3,464,700</u>
<b>Libraries:</b>				
Personnel services	\$ 1,177,807	\$ 38,515	\$ 1,216,322	\$ 1,180,370
Current operating expenses	999,463	19,407	1,018,870	939,123
Capital outlay	90,369	-	90,369	31,712
Total	<u>\$ 2,267,639</u>	<u>\$ 57,922</u>	<u>\$ 2,325,561</u>	<u>\$ 2,151,205</u>
<b>Academic support:</b>				
Personnel services	\$ 1,892,829	\$ 250,405	\$ 2,143,234	\$ 1,984,015
Current operating expenses	752,290	193,175	945,465	906,794
Capital outlay	333,393	847,282	1,180,675	564,458
Total	<u>\$ 2,978,512</u>	<u>\$ 1,290,862</u>	<u>\$ 4,269,374</u>	<u>\$ 3,455,267</u>
<b>Student services:</b>				
Personnel services	\$ 3,736,670	\$ 376,889	\$ 4,113,559	\$ 3,768,842
Current operating expenses	2,078,113	198,925	2,277,038	1,557,051
Capital outlay	152,406	2,109	154,515	103,549
Total	<u>\$ 5,967,189</u>	<u>\$ 577,923</u>	<u>\$ 6,545,112</u>	<u>\$ 5,429,442</u>
<b>Institutional support:</b>				
Personnel services	\$ 5,704,846	\$ 91,722	\$ 5,796,568	\$ 5,407,318
Current operating expenses	574,015	(30,709)	543,306	395,435
Capital outlay	317,723	7,579	325,302	200,039
Total	<u>\$ 6,596,584</u>	<u>\$ 68,592</u>	<u>\$ 6,665,176</u>	<u>\$ 6,002,792</u>
<b>Operation and maintenance of plant:</b>				
Personnel services	\$ 3,656,939	\$ -	\$ 3,656,939	\$ 3,606,552
Current operating expenses	4,256,150	24,261	4,280,411	3,424,469
Capital outlay	520,503	-	520,503	443,475
Total	<u>\$ 8,433,592</u>	<u>\$ 24,261</u>	<u>\$ 8,457,853</u>	<u>\$ 7,474,496</u>

**MURRAY STATE UNIVERSITY**  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES**  
**AND TRANSFERS BY MAJOR OBJECT (CONT.)**  
For the Year Ended June 30, 1996  
With Comparative Figures as of June 30, 1995

	1996			
	Unrestricted	Restricted	Total	1995
<b>EDUCATIONAL AND GENERAL (cont.)</b>				
<b>Expenditures (cont.)</b>				
Student financial aid:				
Personnel services	\$ 21,373	\$ 12,794	\$ 34,167	\$ 19,901
Current operating expenses	4,499,774	5,385,825	9,885,599	8,787,241
Capital outlay	1,795	-	1,795	5,481
Total	<u>\$ 4,522,942</u>	<u>\$ 5,398,619</u>	<u>\$ 9,921,561</u>	<u>\$ 8,812,623</u>
<b>Mandatory transfers for:</b>				
Bond payable principal and interest	\$ 3,706,658	\$ -	\$ 3,706,658	\$ 3,648,316
Note payable principal and interest	-	-	-	197,601
Perkins fund matching grant	1,634	-	1,634	1,157
Total	<u>\$ 3,708,292</u>	<u>\$ -</u>	<u>\$ 3,708,292</u>	<u>\$ 3,847,074</u>
<b>Non-mandatory transfers:</b>				
From auxiliary enterprises	\$ (77,320)	\$ -	\$ (77,320)	\$ (77,320)
From renewal and replacement fund	(1,312,623)	-	(1,312,623)	(278,869)
To unexpended plant fund	1,978,031	142,837	2,120,868	1,325,945
To endowment fund	-	140,724	140,724	-
Total	<u>\$ 588,088</u>	<u>\$ 283,561</u>	<u>\$ 871,649</u>	<u>\$ 969,756</u>
Total Educational and General	<u>\$ 65,831,193</u>	<u>\$ 11,071,437</u>	<u>\$ 76,902,630</u>	<u>\$ 70,489,451</u>
<b>AUXILIARY ENTERPRISES</b>				
<b>Expenditures:</b>				
Personnel services	\$ 3,837,208	\$ 52,905	\$ 3,890,113	\$ 3,788,793
Current operating expenses	7,754,271	-	7,754,271	6,740,423
Capital outlay	81,671	-	81,671	144,957
Total	<u>\$ 11,673,150</u>	<u>\$ 52,905</u>	<u>\$ 11,726,055</u>	<u>\$ 10,674,173</u>
<b>Mandatory transfers for</b>				
principal and interest	<u>\$ 594,782</u>	<u>\$ -</u>	<u>\$ 594,782</u>	<u>\$ 613,919</u>
<b>Non-mandatory transfers:</b>				
To educational and general	\$ 77,320	\$ -	\$ 77,320	\$ 77,320
To unexpended plant fund	167,660	-	167,660	281,000
Total	<u>\$ 244,980</u>	<u>\$ -</u>	<u>\$ 244,980</u>	<u>\$ 358,320</u>
Total Auxiliary Enterprises	<u>\$ 12,512,912</u>	<u>\$ 52,905</u>	<u>\$ 12,565,817</u>	<u>\$ 11,646,412</u>
Total Expenditures and Transfers	<u>\$ 78,344,105</u>	<u>\$ 11,124,342</u>	<u>\$ 89,468,447</u>	<u>\$ 82,135,863</u>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES  
AND TRANSFERS BY MAJOR OBJECT (CONT.)**  
For the Year Ended June 30, 1996  
With Comparative Figures as of June 30, 1995

	1996			1995
	Unrestricted	Restricted	Total	
<b>SUMMARY BY MAJOR OBJECT-</b>				
<b>Expenditures:</b>				
Personnel services	\$ 47,314,454	\$ 2,857,846	\$ 50,172,300	\$ 47,554,235
Current operating expenses	23,844,627	6,885,409	30,730,036	26,418,875
Capital outlay	2,048,882	1,097,526	3,146,408	2,373,684
Total	<u>\$ 73,207,963</u>	<u>\$ 10,840,781</u>	<u>\$ 84,048,744</u>	<u>\$ 76,346,794</u>
<b>Mandatory transfers for:</b>				
Bond principal and interest	\$ 4,301,440	\$ -	\$ 4,301,440	\$ 4,262,235
Note payable principal and interest	-	-	-	197,601
Perkins fund matching grant	1,634	-	1,634	1,157
Total	<u>\$ 4,303,074</u>	<u>\$ -</u>	<u>\$ 4,303,074</u>	<u>\$ 4,460,993</u>
<b>Non-mandatory transfers:</b>				
From renewal and replacement fund	\$ (1,312,623)	\$ -	\$ (1,312,623)	\$ (278,869)
To unexpended plant fund	2,145,691	142,837	2,288,528	1,606,945
To endowment fund	-	140,724	140,724	-
Total	<u>\$ 833,068</u>	<u>\$ 283,561</u>	<u>\$ 1,116,629</u>	<u>\$ 1,328,076</u>
Total Expenditures and Transfers	<u>\$ 78,344,105</u>	<u>\$ 11,124,342</u>	<u>\$ 89,468,447</u>	<u>\$ 82,135,863</u>

MURRAY STATE UNIVERSITY  
SCHEDULE OF CHANGES IN FUND BALANCES  
LOAN FUNDS  
For the Year Ended June 30, 1996

	Student Nurse Loan Program Fund	Perkins Student Loan Fund	Norris Loan Program Fund	Owen Student Loan Fund	Total
Fund balance at beginning of year	\$ 291,681	\$ 4,156,022	\$ 28,569	\$ 80,866	\$ 4,557,138
Additions:					
Interest	\$ 11,620	\$ 97,009	\$ 1,504	\$ 3,906	\$ 114,039
Federal contributions	-	4,901	-	-	4,901
Other additions	37	41,255	139	-	41,431
Mandatory transfer - Perkins match	-	1,634	-	-	1,634
Total additions	\$ 11,657	\$ 144,799	\$ 1,643	\$ 3,906	\$ 162,005
Deductions:					
Cancellations - teaching	\$ -	\$ 35,815	\$ -	\$ -	\$ 35,815
Cancellations - death	-	5,741	-	-	5,741
Cancellations - disability	2,500	6,000	-	-	8,500
Cancellations - bankruptcy	-	5,080	-	-	5,080
Cancellations - law	-	2,375	-	-	2,375
Cancellations - medical	-	425	-	-	425
Cancellations - family	-	1,245	-	-	1,245
Cancellations - special education	-	667	-	-	667
Cancellations - foreign language	-	470	-	-	470
Adjustment in allowance for bad debts	37	2,449	2,444	(161)	4,769
Administrative costs	-	53,068	(176)	-	52,892
Collection costs	(82)	3,850	6	5	3,779
Other deductions	185	4,052	-	20	4,257
Total deductions	\$ 2,640	\$ 121,237	\$ 2,274	\$ (136)	\$ 126,015
Fund balance at end of year	\$ 300,698	\$ 4,179,584	\$ 27,938	\$ 84,908	\$ 4,593,128

MURRAY STATE UNIVERSITY  
SCHEDULE OF CHANGES IN FUND BALANCES  
ENDOWMENT FUNDS  
For the Year Ended June 30, 1996

Fund balance at beginning of year	\$ 1,645,183
Additions:	
Gifts and donations	\$ 936,169
Endowment income	171,291
Transfers from current restricted fund	<u>140,724</u>
Total additions	\$ 1,248,184
Cumulative effect of change in accounting method	<u>\$ 6,871,910</u>
Fund balance at end of year	<u>\$ 9,765,277</u>



MURRAY STATE UNIVERSITY  
 SCHEDULE OF CHANGES IN FUND BALANCE  
 UNEXPENDED PLANT FUNDS  
 For the Year Ended June 30, 1996

Fund balance at beginning of year	\$ 3,072,343
Additions:	
Transfers from current funds	\$ 2,288,528
Interest earnings	36,345
Transfer bonded debt to investment in plant	1,440,147
Proceeds from bonds	1,551,000
State construction funds	1,011,000
Other additions	97,120
Total additions	\$ 6,424,140
Deductions:	
Current expenditures	\$ 4,885,068
State funds	25,980
New bond indebtedness	1,551,000
Total deductions	\$ 6,462,048
Fund balance at end of year	\$ 3,034,435

MURRAY STATE UNIVERSITY  
SCHEDULE OF PROJECT ALLOTMENTS  
UNEXPENDED PLANT FUNDS  
For the Year Ended June 30, 1996

		State Appro- piation	Trust and Agency Fund	Investment Income	Other State Funds	Revenue Bond Proceeds	Other	Total
100	Clearing	\$ 343	\$ -	\$ 56	\$ -	\$ 60,796	\$ -	\$ 61,195
131	Land acquisitions	-	938,423	356,267	-	-	-	1,294,690
251	Industry and technology building	-	-	1,250,000	-	12,500,000	-	13,750,000
300	Con ed series e & f clearing	-	-	173,805	-	815,911	-	989,716
405	Renovate old fine arts building	-	-	330,616	-	3,619,384	-	3,950,000
410	National boy scout museum phase IV	-	36,814	-	-	-	-	36,814
503	Hazardous waste storage	-	-	-	85,000	-	-	85,000
514	New campus phone switch	-	908,419	-	-	-	-	908,419
534	Fire alarm repl & compr gas storage	-	-	-	67,500	-	-	67,500
537	Underground fuel tank replacement	-	62,000	-	49,020	-	-	111,020
543	Serum chemistry analyzer - BVC	-	80,000	-	-	-	-	80,000
551	Hancock bio st. cabins, bathhouse	-	89,223	-	-	-	-	89,223
605	Expo center roof replacement	-	271,000	-	-	-	-	271,000
621	HVAC curris center ballroom	-	6,375	-	-	-	-	6,375
622	BVC HVAC system	-	146,929	-	-	-	-	146,929
623	Expo/south farm inventory	-	83,851	-	-	-	-	83,851
624	Shower/eyewash station	-	-	-	31,500	-	-	31,500
626	E&G fire horn upgrade	-	-	24,945	18,555	-	-	43,500
628	Pogue plaster/paint	-	14,589	-	-	-	-	14,589
631	Hancock researcher cabins	-	29,936	-	-	-	-	29,936
634	Remote fire alarm monitoring system	-	-	13,000	54,319	-	-	67,319
636	Elevator fireman's service	-	-	82,748	-	-	-	82,748
637	Faculty hall elevator renovation	-	-	-	-	340,000	-	340,000
641	Renovate woods hall	-	510,000	-	-	-	-	510,000
643	Lowry emergency generator	-	-	15,105	-	-	-	15,105
644	Clark shower base replacement	-	123,893	-	-	-	-	123,893
645	Masonry defects - curris center	-	208,707	-	-	-	-	208,707
706	Equine instruction facility	-	-	-	-	-	43,500	43,500
708	Roof replacement - gen serv bldg	-	250,000	-	-	-	-	250,000
717	Fire damage cleanup	-	-	-	1,500,000	-	-	1,500,000

MURRAY STATE UNIVERSITY  
 SCHEDULE OF PROJECT ALLOTMENTS (cont.)  
 UNEXPENDED PLANT FUNDS  
 For the Year Ended June 30, 1996

	State Appro- piation	Trust and Agency Fund	Investment Income	Other State Funds	Revenue Bond Proceeds	Other	Total
721 Environmental audit - north farm	\$ -	\$ 1,506	\$ -	\$ -	\$ -	\$ -	\$ 1,506
723 Museum enhancement - wickliffe mounds	-	100,000	-	-	-	-	100,000
724 Lovett auditorium sprinkler system	-	154,875	-	-	-	-	154,875
725 Blackburn science research modernization	-	26,563	-	-	1,200,000	57,946	1,284,509
726 Lovett auditorium window replacement	-	88,000	-	-	-	-	88,000
727 Parking lot modifications - 16th & hamilton	-	123,464	-	-	-	-	123,464
728 Winslow cafeteria renovation	-	750,000	-	-	-	-	750,000
730 BVC bldg system improvements	-	133,726	-	-	-	-	133,726
731 Parking lot - hamilton & broach streets	-	183,212	-	-	-	-	183,212
732 Doyle fine arts elevator renovations	-	15,070	-	-	-	-	15,070
733 Wilson hall foundation waterproofing	-	5,000	-	-	-	-	5,000
734 Sparks hall exterior repairs	-	81,600	-	-	-	-	81,600
735 Carr health swimming pool liner	-	50,000	-	-	-	-	50,000
736 Pogue library exterior painting	-	40,411	-	-	-	-	40,411
737 Quadrangle lighting replacement	-	100,000	-	-	-	-	100,000
738 Fine arts complex improvements	-	50,000	-	-	-	-	50,000
739 Carr health - pool liner	-	150,000	-	-	-	-	150,000
740 Regents hall condensate system repairs	-	136,555	-	-	-	-	136,555
741 Hancock boat dock	-	95,000	-	-	-	-	95,000
742 Football field conversion	-	182,201	200,056	-	167,743	-	550,000
743 Motor pool diesel tank	-	-	-	-	12,000	-	12,000
744 Central plant fuel tank	-	-	-	-	50,000	-	50,000
818 E & G smoke detectors	-	-	-	321,000	-	-	321,000
821 High voltage oil switch	-	-	-	690,000	-	-	690,000
Total	\$ 343	\$ 6,227,342	\$ 2,446,598	\$ 2,816,894	\$ 18,765,834	\$ 101,446	\$ 30,358,457

MURRAY STATE UNIVERSITY  
SCHEDULE OF PROJECT ACCOUNTS  
UNEXPENDED PLANT FUNDS  
For the Year Ended June 30, 1996

		Allotments			Expenditures			Outstanding Encumbrances	Balance June 30, 1996
		Prior to July 1, 1995	Received 1995-96	Total	Prior to July 1, 1995	Expenditures 1995-96	Total		
100	Clearing	\$ 61,196	\$ -	\$ 61,196	\$ -	\$ -	\$ -	\$ -	\$ 61,196
131	Land acquisitions	1,200,690	94,000	1,294,690	1,192,796	94,750	1,287,546	-	7,144
251	Industry and technology building	13,750,000	-	13,750,000	13,750,000	-	13,750,000	-	-
300	Con ed series e & f clearing	989,716	-	989,716	882,764	-	882,764	-	106,952
400	Con ed series g clearing	-	-	-	83,542	-	83,542	-	(83,542)
405	Renovate old fine arts building	3,950,000	-	3,950,000	1,390,067	1,630,917	3,020,984	897,522	31,494
410	National boy scout museum phase IV	36,814	-	36,814	28,064	-	28,064	8,750	-
500	Project 48 bonds clearing	-	-	-	172,368	-	172,368	-	(172,368)
503	Hazardous waste storage	85,000	-	85,000	83,112	1,888	85,000	-	-
514	New campus phone switch	908,548	(129)	908,419	908,419	-	908,419	-	-
534	Fire alarm repl & compr gas storage	67,500	-	67,500	63,488	4,012	67,500	-	-
537	Underground fuel tank replacement	137,000	(25,980)	111,020	111,020	-	111,020	-	-
543	Serum chemistry analysis	80,000	-	80,000	80,000	-	80,000	-	-
551	Hancock bio st. cabins, bathhouse	90,000	(777)	89,223	87,280	1,943	89,223	-	-
600	Project 50 bonds clearing	-	-	-	38,290	(12,270)	26,020	-	(26,020)
605	Expo center roof replacement	35,000	236,000	271,000	-	229,967	229,967	27,288	13,745
621	HVAC curris center ballroom	7,700	(1,325)	6,375	6,375	-	6,375	-	-
622	BVC HVAC system	149,070	(2,141)	146,929	125,230	21,699	146,929	-	-
623	Expo/south farm inventory	90,000	(6,149)	83,851	73,591	10,260	83,851	-	-
624	Shower/eyewash station	31,500	-	31,500	13,699	17,514	31,213	-	287
626	E&G fire horn upgrade	43,500	-	43,500	9,864	1,324	11,188	-	32,312
628	Pogue plaster/paint	20,000	(5,411)	14,589	14,589	-	14,589	-	-
631	Hancock researcher cabins	30,000	(64)	29,936	29,624	312	29,936	-	-
634	Remote fire alarm monitoring system	73,675	(6,356)	67,319	66,819	500	67,319	-	-
636	Elevator fireman's service	89,550	(6,802)	82,748	82,748	-	82,748	-	-
637	Faculty hall elevator renovation	300,000	40,000	340,000	251,229	33,531	284,760	6,399	48,841
641	Renovate woods hall	300,000	210,000	510,000	-	366,238	366,238	122,499	21,263
643	Lowry emergency generator	16,000	(895)	15,105	-	15,105	15,105	-	-
644	Springer hall - shower base replacement	136,000	(12,107)	123,893	35,738	88,155	123,893	-	-
645	Masonry defects - curris center	208,800	(93)	208,707	8,729	199,978	208,707	-	-
706	Equine instruction facility	25,000	18,500	43,500	-	6,361	6,361	1	37,138
708	Roof replacement - general ser bldg	250,000	-	250,000	14,065	222,655	236,720	-	13,280

MURRAY STATE UNIVERSITY  
SCHEDULE OF PROJECT ACCOUNTS (cont.)  
UNEXPENDED PLANT FUNDS  
For the Year Ended June 30, 1996

	Allotments			Expenditures			Outstanding Encumbrances	Balance June 30, 1996
	Prior to July 1, 1995	Received 1995-96	Total	Prior to July 1, 1995	Expenditures 1995-96	Total		
717 Fire damage cleanup	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 817,891	\$ 641,249	\$ 1,459,140	\$ 11,780	\$ 29,080
720 Repair freezer floor - general serv bldg	12,500	(12,500)	-	-	-	-	-	-
721 Environmental audit - north farm	2,500	(994)	1,506	1,506	-	1,506	-	-
722 Heating system - lovet auditorium	55,000	(55,000)	-	31,606	(31,606)	-	-	-
723 Museum enhancement - wickliffe mounds	100,000	-	100,000	7,191	2,636	9,827	-	90,173
724 Sprinkler system - lovet auditorium	19,250	135,625	154,875	-	65,878	65,878	80,283	8,714
725 Blackburn science research modernization	50,000	1,234,508	1,284,508	-	170,279	170,279	1,597,578	(483,349)
726 Window replacement - lovet auditorium	60,000	28,000	88,000	-	69,000	69,000	-	19,000
727 Parking lot modifications - 16th & hamilton	120,000	3,464	123,464	-	123,464	123,464	-	-
728 Winslow cafeteria renovation	58,300	691,700	750,000	-	352,886	352,886	289,331	107,783
730 BVC building system improvements	4,675	129,051	133,726	75	117,568	117,643	5,714	10,369
731 Parking lot - hamilton & broach streets	140,000	43,212	183,212	-	183,212	183,212	-	-
732 Doyle elevator renovation	15,070	-	15,070	-	139	139	-	14,931
733 Wilson foundation waterproofing	5,000	-	5,000	697	1,321	2,018	-	2,982
734 Sparks exterior repairs	5,000	76,600	81,600	1,000	5,437	6,437	64,000	11,163
735 Carr health - pool liner	5,000	45,000	50,000	890	2,611	3,501	23,000	23,499
736 Pogue exterior paint	15,000	25,411	40,411	-	33,914	33,914	-	6,497
737 Quadrangle lighting replacement	100,000	-	100,000	-	76,831	76,831	-	23,169
738 Doyle fine arts complex improvements	-	50,000	50,000	-	-	-	-	50,000
739 Carr health windows-lead abate & paint	-	150,000	150,000	-	109,877	109,877	-	40,123
740 Regents hall condensate system repairs	-	136,555	136,555	-	25,318	25,318	68,050	43,187
741 Hancock boat dock	-	95,000	95,000	-	195	195	79,680	15,125
742 Football field conversion	-	550,000	550,000	-	20	20	503,400	46,580
743 Motor pool diesel tank	-	12,000	12,000	-	-	-	-	12,000
744 Central plant fuel tank	-	50,000	50,000	-	-	-	-	50,000
818 E & G smoke detectors	-	321,000	321,000	-	-	-	-	321,000
821 High volt oil switch	-	690,000	690,000	-	-	-	-	690,000
Total	\$ 25,429,554	\$ 4,928,903	\$ 30,358,457	\$ 20,464,366	\$ 4,885,068	\$ 25,349,434	\$ 3,785,275	\$ 1,223,748

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CHANGES IN FUND BALANCES**  
 RENEWAL AND REPLACEMENTS  
 For the Year Ended June 30, 1996

	Consolidated Education Renewal and Replacement	Housing and Dining Repair and Maintenance	Total
Fund balance at beginning of year	\$ <u>3,049,803</u>	\$ <u>658,068</u>	\$ <u>3,707,871</u>
Additions:			
Interest income	\$ 66,724	\$ 40,671	\$ 107,395
Other additions	425,000	3,761	428,761
Total additions	\$ <u>491,724</u>	\$ <u>44,432</u>	\$ <u>536,156</u>
Deductions:			
Transfers to current funds	\$ 1,312,623	\$ -	\$ 1,312,623
Other deductions	425,000	5,200	430,200
Total deductions	\$ <u>1,737,623</u>	\$ <u>5,200</u>	\$ <u>1,742,823</u>
Fund balance at end of year	\$ <u><u>1,803,904</u></u>	\$ <u><u>697,300</u></u>	\$ <u><u>2,501,204</u></u>

MURRAY STATE UNIVERSITY  
SCHEDULE OF CHANGES IN FUND BALANCES  
RETIREMENT OF INDEBTEDNESS  
FOR THE ENDED JUNE 30, 1996

	Consolidated Education Bond and Interest Sinking Fund	Housing and Dining Bond and Interest Sinking Fund	Asbestos and PCB Fund Project 48 and 54 Fund	Consolidated Education Series G Arbitrage Rebate Fund	Life Safety Project 50 and 55 Fund	Project 57 Fund	Project 59 Fund	Total
Fund balance (deficit) at beginning of year	\$ 3,380,502	\$ 901,763	\$ (28,704)	\$ 567	\$ (26,169)	\$ -	\$ -	\$ 4,227,959
Additions:								
Investment earnings	\$ 237,416	\$ 50,062	\$ -	\$ 29	\$ -	\$ -	\$ -	\$ 287,507
Transfer from current unrestricted fund	3,246,252	626,938	118,609	-	106,891	127,000	75,750	4,301,440
Other additions	-	3,918	-	-	-	6,204	2,136	12,258
Total additions	\$ 3,483,668	\$ 680,918	\$ 118,609	\$ 29	\$ 106,891	\$ 133,204	\$ 77,886	\$ 4,601,205
Deductions:								
Bonds paid	\$ 2,255,000	\$ 495,000	\$ 71,276	\$ -	\$ 38,351	\$ 68,500	\$ 66,900	\$ 2,995,027
Interest paid	1,210,018	170,600	39,234	-	65,026	83,693	16,486	1,585,057
Other deductions	2,379	2,865	833	-	840	6,251	-	13,168
Total deductions	\$ 3,467,397	\$ 668,465	\$ 111,343	\$ -	\$ 104,217	\$ 158,444	\$ 83,386	\$ 4,593,252
Fund balance (deficit) at end of year	\$ 3,396,773	\$ 914,216	\$ (21,438)	\$ 596	\$ (23,495)	\$ (25,240)	\$ (5,500)	\$ 4,235,912

MURRAY STATE UNIVERSITY  
SCHEDULE OF CHANGES IN FUND BALANCE  
INVESTMENT IN PLANT  
For the Year Ended June 30, 1996

Fund balance at beginning of year	\$ <u>117,453,827</u>
Additions:	
Buildings	\$ 320,799
Construction in progress	6,283,154
Equipment	2,442,265
Improvements other than buildings	714,190
Land	104,346
Library books	912,077
Donated assets	9,989
Payment on bond principal	2,995,027
Reduction in lease obligations	67,143
Total additions	\$ <u>13,848,990</u>
Deductions/Deletions/Disposals/Transfers:	
Buildings	\$ -
Construction in progress	1,146,141
Equipment	1,212,296
Library books	281,822
Other assets (leases)	85,258
Bond indebtedness transferred from unexpended plant funds	1,440,147
Amortization of bond discount and issuance costs	46,560
Loss on refunding	21,624
Other deductions	31,560
Total deductions	\$ <u>4,265,408</u>
Fund balance at end of year	\$ <u><u>127,037,409</u></u>



MURRAY STATE UNIVERSITY  
**SCHEDULE OF INVESTMENTS BY FUND GROUPS**  
As of June 30, 1996

	U.S. Government Securities	Certificates of Deposit	Investments in State Investment Pool	Total
Unrestricted funds	\$ -	\$ -	\$ 11,363,542	\$ 11,363,542
Restricted funds	-	160,000	-	160,000
Endowment funds	-	540,000	-	540,000
Renewals and Replacements funds	686,506	-	768,214	1,454,720
Retirement of Indebtedness funds	4,502,740	-	-	4,502,740
Unexpended Plant funds	-	-	899,658	899,658
Total investments	<u>\$ 5,189,246</u>	<u>\$ 700,000</u>	<u>\$ 13,031,414</u>	<u>\$ 18,920,660</u>

MURRAY STATE UNIVERSITY  
SCHEDULE OF BONDS PAYABLE  
For the Year Ended June 30, 1996

	Original Issue	Matured Current Year	Funded to Date	Not Matured 06/30/96	Interest Expense Current Year	Bonds Maturing 1996-97	Interest Due 1996-97
<b>HOUSING AND DINING SYSTEM REVENUE BONDS</b>							
Series A bonds dated 9/1/65 with an interest rate of 2 3/4%. Final principal payment date 9/1/95. Woods Hall.	\$ 705,000	\$ 10,000	\$ 705,000	\$ -	\$ 91	\$ -	\$ -
Series B bonds dated 9/1/65 with an interest rate of 2 7/8%. Final principal payment date 9/1/97. Student Union Building.	605,000	30,000	545,000	60,000	1,868	30,000	1,006
Series C bonds dated 9/1/65 with an interest rate of 3 1/8%. Final principal payment date 9/1/00. Richmond Hall.	635,000	25,000	495,000	140,000	4,504	25,000	3,723
Series D bonds dated 9/1/65 with an interest rate of 3 1/8%. Final principal payment date 9/1/00. Clark Hall.	760,000	30,000	595,000	165,000	5,312	30,000	4,374
Series E bonds dated 9/1/65 with an interest rate of 3 1/2%. Final principal payment date 9/1/01. College Court I.	387,000	15,000	292,000	95,000	3,412	15,000	2,887
Series F bonds dated 9/1/65 with an interest rate of 3 1/2%. Final principal payment date 9/1/01. Franklin Hall and Winslow Cafeteria.	1,290,000	55,000	920,000	370,000	13,269	55,000	11,315
Series G bonds dated 9/1/65 with an interest rate of 3 3/8%. Final principal payment date 9/1/00. College Court II.	400,000	20,000	300,000	100,000	3,487	20,000	2,812
Series H bonds dated 9/1/65 with an interest rate of 3 3/8%. Final principal payment date 9/1/03. Elizabeth Hall and and Springer Hall.	1,845,000	75,000	1,210,000	635,000	21,851	75,000	19,291
Series I bonds dated 9/1/65 with an interest rate of 3 5/8%. Final principal payment date 9/1/04. Hart Hall.	2,250,000	75,000	1,483,000	767,000	28,254	75,000	25,505
Series J bonds dated 9/1/65 with an interest rate of 3 3/4%. Final principal payment date 9/1/04. College Court III.	510,000	15,000	335,000	175,000	6,656	15,000	6,062
Series K bonds dated 9/1/65 with an interest rate of 3%. Final principal payment date 9/1/02. Hester Hall and White Hall.	3,280,000	105,000	1,975,000	1,305,000	39,522	135,000	35,771
Series L bonds dated 9/1/68 with an interest rate of 3%. Final principal payment date 9/1/08. Regents Hall.	2,000,000	40,000	595,000	1,405,000	42,374	35,000	41,299
Total Housing and Dining System Revenue Bonds	\$ 14,667,000	\$ 495,000	\$ 9,450,000	\$ 5,217,000	\$ 170,600	\$ 510,000	\$ 154,045

MURRAY STATE UNIVERSITY  
SCHEDULE OF BONDS PAYABLE  
For the Year Ended June 30, 1996

	Original Issue	Matured Current Year	Funded to Date	Not Matured 06/30/96	Interest Expense Current Year	Bonds Maturing 1996-97	Interest Due 1996-97
<b>CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS</b>							
Series A bonds dated 5/1/61 with interest rates from 3% to 4 1/8%. Final principal payment date 5/1/86. Business Education Bldg.	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -
Series B bonds dated 11/1/63 with interest rates from 3 1/4% to 3 7/8%. Final principal payment date 5/1/94. Applied Science, Child Dev Ctr, Maint Bldg, Etc.	2,360,000	-	2,360,000	-	-	-	-
Series C bonds dated 4/1/66 with an interest rate of 3%. Final principal payment due 5/1/96. Nursing, Admin, Bio Stat, Broadcast Center.	2,721,000	90,000	2,721,000	-	2,249	-	-
Series D bonds dated 4/1/66 with interest rates from 4 1/4% to 4 1/2%. Final principal payment due 5/1/94. Same as Series C.	5,280,000	-	5,280,000	-	-	-	-
Series E bonds dated 5/1/71 with an interest rate of 3%. Final principal payment due 5/1/98. Gen Classroom, Acad-Ath Fac, Bus Serv, Fine Arts Add, Pedestrian Impr.	2,733,000	140,000	2,440,000	293,000	12,288	145,000	8,063
Series F bonds dated 5/1/71 with interest rates from 6 1/2% to 7 1/4%. Final principal payment originally due 5/1/00. All bonds called in fiscal 81-82.	12,500,000	-	12,500,000	-	-	-	-
Series F refunding bonds dated 5/1/81 with interest rates from 5 3/10% to 5 7/8%. \$7,780,000 refunded on 9/30/93. Final principal payment 5/1/94. Same as Series D.	11,770,000	-	11,770,000	-	-	-	-
Series F (second series) refunding bonds dated 9/01/93 with interest rates from 2.60% to 4.15%. Final principal payment due on 5/1/00. Same as Series D.	7,955,000	1,175,000	2,805,000	5,150,000	239,367	1,375,000	196,383
Series G bonds dated 12/1/87 with interest rates from 5 3/4% to 8%. Final principal payment due 5/01/07. Industry and Technology Bldg and Various Other Bldgs.	14,785,000	545,000	13,595,000	1,190,000	116,733	575,000	78,590
Series G (second series) dated 3/1/93 with interest rates of 3.10% to 5.60%. Final principal payment due on 5/1/07. Industry & Technology Bldg.	11,660,000	150,000	440,000	11,220,000	593,285	155,000	587,173

MURRAY STATE UNIVERSITY  
SCHEDULE OF BONDS PAYABLE  
For the Year Ended June 30, 1996

	Original Issue	Matured Current Year	Funded to Date	Not Matured 06/30/96	Interest Expense Current Year	Bonds Maturing 1996-97	Interest Due 1996-97
Series H bonds dated 3/1/92 with interest rates from 3 1/2% to 6 2/10%. Final principal payment due 5/1/12. Fine Arts Renovation & Underground Steam/condensate Lines.	\$ 4,625,000	\$ 155,000	\$ 535,000	\$ 4,090,000	\$ 246,097	\$ 160,000	\$ 238,628
Total Consolidated Educational Buildings Revenue Bonds	\$ 77,789,000	\$ 2,255,000	\$ 55,846,000	\$ 21,943,000	\$ 1,210,019	\$ 2,410,000	\$ 1,108,837
<b>OTHER BONDS</b>							
Asbestos and PCB removal bonds (Project 48 partially refunded by by project 54) dated 12/1/87 with an interest rate of 6.20%. \$204,842 refunded 11/95. Final principal payment due 8/1/98.	\$ 1,660,000	\$ 235,049 *	\$ 1,660,000	\$ -	\$ 1,445	\$ -	\$ -
Asbestos and PCB removal bonds (Project 54 refunding a portion of project 48) dated 9/1/92 with an interest rate of 2.40% to 6.0%. Final principal payment due 9/1/08	1,516,032	41,068	135,844	1,380,188	37,789	43,320	35,469
Life Safety bonds (Project 50) dated 2/1/91 with an interest rate of 5.60% to 6.70%. \$544,732 refunded on 9/1/93. \$222,800 refunded on 11/95. Final payment due on 8/1/95.	875,445	222,800 *	875,445	-	1,228	-	-
Life Safety bonds (Project 55 including partial refunding of Project 50) dated 9/1/93 with an interest rate of 2.70% to 5.0%. Final principal payment due 9/1/13.	1,413,890	38,351	71,985	1,341,905	63,797	29,095	67,886
State property and buildings commissions project 57 revenue bonds dated 8/1/95 with an interest rate of 4% to 5%. Final principal payment due 11/1/15.	1,551,000	68,500	68,500	1,482,500	83,693	44,500	75,531
State property and buildings commission project 59 revenue refunding bonds (total refund of project 48 & 54) dated 11/1/95 with an interest rate of 4.5% to 6.75%. Final principal payment due 11/1/00.	444,451	66,900	66,900	377,551	16,486	105,518	14,978
Total Other Bonds	\$ 7,460,818	\$ 672,668	\$ 2,878,674	\$ 4,582,144	\$ 204,438	\$ 222,433	\$ 193,864
Total all bond issues	\$ 99,916,818	\$ 3,422,668	\$ 68,174,674	\$ 31,742,144	\$ 1,585,057	\$ 3,142,433	\$ 1,456,746

\* principal maturities on these two bonds include \$427,642 of principal defeased by the issuance of refunding bonds

**MURRAY STATE UNIVERSITY**

**Financial Statements  
for the Year Ended June 30, 1996  
and Independent Auditors' Report  
and  
Schedules and Reports Required  
by OMB Circular A-133**

# MURRAY STATE UNIVERSITY

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**PART I**  
**FINANCIAL SECTION**



**INDEPENDENT AUDITORS' REPORT**

To the Board of Regents  
of Murray State University

We have audited the accompanying balance sheet of Murray State University (the "University") as of June 30, 1996, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended. These financial statements are the responsibility of the management of the University. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Murray State University as of June 30, 1996, and the changes in its fund balances and its current funds revenues, expenditures, and other changes for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, the University changed its accounting for assets managed by and contributions to Murray State University Foundation on behalf of the University.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 13, 1996 on our consideration of the University's internal control structure, and a report dated September 13, 1996 on its compliance with laws and regulations.

*Deloitte & Touche LLP*

September 13, 1996



MURRAY STATE UNIVERSITY  
BALANCE SHEET  
As of June 30, 1996  
With Comparative Figures as of June 30, 1995

	Current Funds		Loan Funds	Endowment Funds	Plant Funds	Agency Funds	Totals	
	Unrestricted	Restricted					1996	1995
<b>ASSETS</b>								
Cash	\$ 490,849	\$ 1,017,413	\$ 459,231	\$ 15,679	\$ 5,208,632	\$ 149,621	\$ 7,341,425	\$ 9,716,490
Investments	11,363,542	160,000	-	540,000	6,857,118	-	18,920,660	19,552,407
Accounts and loans receivable, net	1,041,001	1,762,112	4,153,462	184	-	-	6,956,759	6,433,258
Interest receivable	189,780	1,501	-	-	75,285	-	266,566	247,463
Inventories	1,263,198	-	-	144	-	-	1,263,342	1,214,216
Prepaid expenses	146,605	23,582	-	-	-	-	170,187	154,892
Discount on bonds payable	-	-	-	-	451,998	-	451,998	386,815
Due from other funds	2,132,454	-	-	-	1,029,352	-	3,161,806	679,386
Assets held by MSU Foundation	-	1,847,510	-	9,209,270	-	-	11,056,780	1,319,250
Property, plant and equipment	-	-	-	-	155,550,752	-	155,550,752	147,404,190
Total assets	<u>\$ 16,627,429</u>	<u>\$ 4,812,118</u>	<u>\$ 4,612,693</u>	<u>\$ 9,765,277</u>	<u>\$ 169,173,137</u>	<u>\$ 149,621</u>	<u>\$ 205,140,275</u>	<u>\$ 187,108,367</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ 1,322,927	\$ 41,478	\$ -	\$ -	\$ 150,824	\$ -	\$ 1,515,229	\$ 1,387,573
Payroll related accruals	2,900,519	-	-	-	-	-	2,900,519	3,235,563
Accrued expenses and other liabilities	552,260	28,800	19,565	-	-	-	600,625	1,172,720
Interest payable	-	-	-	-	317,494	-	317,494	318,715
Deposits	260,596	-	-	-	-	149,621	410,217	349,704
Deferred revenues	835,078	-	-	-	-	-	835,078	554,912
Due to other funds	858,209	2,284,124	-	-	19,473	-	3,161,806	679,386
Bonds payable	-	-	-	-	31,742,144	-	31,742,144	33,169,362
Obligations under capital leases	-	-	-	-	134,242	-	134,242	116,127
Total liabilities	<u>\$ 6,729,589</u>	<u>\$ 2,354,402</u>	<u>\$ 19,565</u>	<u>\$ -</u>	<u>\$ 32,364,177</u>	<u>\$ 149,621</u>	<u>\$ 41,617,354</u>	<u>\$ 40,984,062</u>
Fund balance:								
Current unrestricted funds:								
Allocated for:								
Working capital	\$ 1,323,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,323,401	\$ 1,827,504
Prior year carryovers:								
Renovation and maintenance	2,319,402	-	-	-	-	-	2,319,402	1,874,126
Other	3,090,130	-	-	-	-	-	3,090,130	3,513,202

See notes to financial statements.

MURRAY STATE UNIVERSITY  
**BALANCE SHEET (cont.)**  
As of June 30, 1996  
With Comparative Figures as of June 30, 1995

	Current Funds		Loan Funds	Endowment Funds	Plant Funds	Agency Funds	Totals	
	Unrestricted	Restricted					1996	1995
LIABILITIES AND FUND BALANCE (cont.)								
Fund balance (cont.):								
Current unrestricted funds (cont.):								
Encumbrances	\$ 413,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 413,099	\$ 925,382
Reserve for general contingency	1,851,808	-	-	-	-	-	1,851,808	997,123
Reserve for self insurance	900,000	-	-	-	-	-	900,000	900,000
Current restricted funds	-	2,457,716	-	-	-	-	2,457,716	1,422,647
Loan funds - restricted	-	-	4,593,128	-	-	-	4,593,128	4,557,138
Endowment funds - restricted	-	-	-	9,765,277	-	-	9,765,277	1,645,183
Plant funds:								
Unexpended	-	-	-	-	3,034,435	-	3,034,435	3,072,343
Renewal and replacements	-	-	-	-	2,501,204	-	2,501,204	3,707,871
Retirement of indebtedness	-	-	-	-	4,235,912	-	4,235,912	4,227,959
Net investment in plant	-	-	-	-	127,037,409	-	127,037,409	117,453,827
Total fund balance	\$ 9,897,840	\$ 2,457,716	\$ 4,593,128	\$ 9,765,277	\$ 136,808,960	\$ -	\$ 163,522,921	\$ 146,124,305
Total liabilities and fund balance	\$ 16,627,429	\$ 4,812,118	\$ 4,612,693	\$ 9,765,277	\$ 169,173,137	\$ 149,621	\$ 205,140,275	\$ 187,108,367

See notes to financial statements.

MURRAY STATE UNIVERSITY  
STATEMENT OF CHANGES IN FUND BALANCES  
For the Year Ended June 30, 1996

	Current Funds				Plant Funds			
	Unrestricted	Restricted	Loan Funds	Endowment Funds	Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment In Plant
<b>REVENUES AND OTHER ADDITIONS:</b>								
Current funds revenues	\$ 78,204,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contracts	-	9,767,016	-	-	-	-	-	-
Private gifts	-	1,248,990	-	936,169	-	-	-	-
Endowment income	-	561,480	-	171,291	-	-	-	-
Expenditures for plant facilities (including \$3,424,870 charged to current fund expenditures)	-	-	-	-	-	-	-	10,776,831
Donated plant facilities	-	-	-	-	-	-	-	9,989
Retirement of indebtedness	-	-	-	-	-	-	-	2,995,027
Interest income - restricted	-	-	114,039	-	36,345	107,395	287,507	-
Federal and state contributions	-	-	4,901	-	-	-	-	-
Reduction in lease obligations	-	-	-	-	-	-	-	67,143
Proceeds from bonds	-	-	-	-	1,551,000	-	-	-
State construction funds	-	-	-	-	1,011,000	-	-	-
Other additions	-	35,272	41,431	-	97,120	428,761	12,258	-
Total revenues and other additions	\$ 78,204,608	\$ 11,612,758	\$ 160,371	\$ 1,107,460	\$ 2,695,465	\$ 536,156	\$ 299,765	\$ 13,848,990
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>								
Educational and general expenditures	\$ 61,534,813	\$ 10,787,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auxiliary enterprises expenditures	11,673,150	52,905	-	-	-	-	-	-
Refund to grantors	-	15,145	-	-	-	-	-	-
Loan cancellations and write-offs	-	-	60,318	-	-	-	-	-
Adjustment in allowance for bad debts	-	-	4,769	-	-	-	-	-
Administration and collection costs	-	-	56,671	-	-	-	-	-
Expended for plant facilities (including non- capitalized expenditures of \$231,912)	-	-	-	-	4,885,068	-	-	-
Retirement of indebtedness	-	-	-	-	-	-	2,995,027	-
Interest on indebtedness	-	-	-	-	-	-	1,585,057	-
Deletions and disposals	-	-	-	-	-	-	-	2,725,517
State funds	-	-	-	-	25,980	-	-	-
New bond indebtedness	-	-	-	-	1,551,000	-	-	-
Other deductions	-	645,476	4,257	-	-	430,200	13,168	99,744
Total expenditures and other deductions	\$ 73,207,963	\$ 11,501,402	\$ 126,015	\$ -	\$ 6,462,048	\$ 430,200	\$ 4,593,252	\$ 2,825,261

See notes to financial statements.

MURRAY STATE UNIVERSITY  
STATEMENT OF CHANGES IN FUND BALANCES (cont.)  
For the Year Ended June 30, 1996

	Current Funds				Plant Funds			
	Unrestricted	Restricted	Loan Funds	Endowment Funds	Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment In Plant
<b>TRANSFERS AMONG FUNDS:</b>								
Mandatory:								
Bond principal and interest	\$ (4,301,440)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,301,440	\$ -
Perkins match	(1,634)	-	1,634	-	-	-	-	-
Total mandatory transfers	<u>\$ (4,303,074)</u>	<u>\$ -</u>	<u>\$ 1,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,301,440</u>	<u>\$ -</u>
Nonmandatory:								
Transfer to unrestricted current fund from renewal and replacement fund	\$ 1,312,623	\$ -	\$ -	\$ -	\$ -	\$ (1,312,623)	\$ -	\$ -
Transfer from current funds to unexpended plant funds	(2,145,691)	(142,837)	-	-	2,288,528	-	-	-
Transfer from restricted funds to endowment funds	-	(140,724)	-	140,724	-	-	-	-
Transfer bonded debt from unexpended plant fund to investment in plant	-	-	-	-	1,440,147	-	-	(1,440,147)
Total non-mandatory transfers	<u>\$ (833,068)</u>	<u>\$ (283,561)</u>	<u>\$ -</u>	<u>\$ 140,724</u>	<u>\$ 3,728,675</u>	<u>\$ (1,312,623)</u>	<u>\$ -</u>	<u>\$ (1,440,147)</u>
Net increase(decrease) for the year before cumulative effect of accounting change	<u>\$ (139,497)</u>	<u>\$ (172,205)</u>	<u>\$ 35,990</u>	<u>\$ 1,248,184</u>	<u>\$ (37,908)</u>	<u>\$ (1,206,667)</u>	<u>\$ 7,953</u>	<u>\$ 9,583,582</u>
Cumulative effect of change in accounting method (Note 1)	<u>\$ -</u>	<u>\$ 1,207,274</u>	<u>\$ -</u>	<u>\$ 6,871,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net increase (decrease) for the year	<u>\$ (139,497)</u>	<u>\$ 1,035,069</u>	<u>\$ 35,990</u>	<u>\$ 8,120,094</u>	<u>\$ (37,908)</u>	<u>\$ (1,206,667)</u>	<u>\$ 7,953</u>	<u>\$ 9,583,582</u>
Fund balance at beginning of year	<u>\$ 10,037,337</u>	<u>\$ 1,422,647</u>	<u>\$ 4,557,138</u>	<u>\$ 1,645,183</u>	<u>\$ 3,072,343</u>	<u>\$ 3,707,871</u>	<u>\$ 4,227,959</u>	<u>\$ 117,453,827</u>
Fund balance at end of year	<u>\$ 9,897,840</u>	<u>\$ 2,457,716</u>	<u>\$ 4,593,128</u>	<u>\$ 9,765,277</u>	<u>\$ 3,034,435</u>	<u>\$ 2,501,204</u>	<u>\$ 4,235,912</u>	<u>\$ 127,037,409</u>

See notes to financial statements.

**MURRAY STATE UNIVERSITY**  
**STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			
	Unrestricted	Restricted	Total	1995
<b>REVENUES:</b>				
Educational and general:				
Tuition and fees	\$ 20,606,133	\$ -	\$ 20,606,133	\$ 18,962,318
State appropriations	39,945,600	-	39,945,600	38,955,400
Grants and contracts	-	10,787,876	10,787,876	8,726,101
Indirect and administrative cost recoveries	244,437	-	244,437	244,132
Sales and services of educational activities	1,873,744	-	1,873,744	1,882,423
Other sources	3,427,811	-	3,427,811	3,005,979
Total educational and general	\$ 66,097,725	\$ 10,787,876	\$ 76,885,601	\$ 71,776,353
Auxiliary enterprises	\$ 12,106,883	\$ 52,905	\$ 12,159,788	\$ 11,227,896
Total Revenues	\$ 78,204,608	\$ 10,840,781	\$ 89,045,389	\$ 83,004,249
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>				
Educational and general:				
Instruction	\$ 27,045,868	\$ 2,150,287	\$ 29,196,155	\$ 27,699,003
Research	652,454	531,203	1,183,657	1,183,093
Public service	3,070,033	688,207	3,758,240	3,464,700
Libraries	2,267,639	57,922	2,325,561	2,151,205
Academic support	2,978,512	1,290,862	4,269,374	3,455,267
Student services	5,967,189	577,923	6,545,112	5,429,442
Institutional support	6,596,584	68,592	6,665,176	6,002,792
Operation and maintenance of plant	8,433,592	24,261	8,457,853	7,474,496
Student financial aid	4,522,942	5,398,619	9,921,561	8,812,623
Educational and general expenditures	\$ 61,534,813	\$ 10,787,876	\$ 72,322,689	\$ 65,672,621
Mandatory transfers for:				
Bond principal and interest	\$ 3,706,658	\$ -	\$ 3,706,658	\$ 3,648,316
Note payable principal and interest	-	-	-	197,601
Perkins fund matching grant	1,634	-	1,634	1,157
Total mandatory transfers	\$ 3,708,292	\$ -	\$ 3,708,292	\$ 3,847,074
Total educational and general	\$ 65,243,105	\$ 10,787,876	\$ 76,030,981	\$ 69,519,695
Auxiliary enterprises:				
Expenditures	\$ 11,673,150	\$ 52,905	\$ 11,726,055	\$ 10,674,173
Mandatory transfers for principal and interest	594,782	-	594,782	613,919
Total auxiliary enterprises	\$ 12,267,932	\$ 52,905	\$ 12,320,837	\$ 11,288,092
Total Expenditures and Mandatory Transfers	\$ 77,511,037	\$ 10,840,781	\$ 88,351,818	\$ 80,807,787

See notes to financial statements.

MURRAY STATE UNIVERSITY  
**STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES (cont.)**  
For the Year Ended June 30, 1996  
With Comparative Figures for the Year Ended June 30, 1995

	1996			1995
	Unrestricted	Restricted	Total	
<b>OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):</b>				
Excess of restricted receipts over transfers to revenues	\$ -	\$ 736,705	\$ 736,705	\$ 799,150
Refunded to grantors	-	(15,145)	(15,145)	(44,576)
Nonmandatory transfers and other changes:				
Transfer to unrestricted current fund from renewal and replacement fund	1,312,623	-	1,312,623	278,869
Transfer from current funds to unexpended plant funds	(2,145,691)	(142,837)	(2,288,528)	(1,606,945)
Transfer to endowment fund from restricted fund	-	(140,724)	(140,724)	-
Other deductions	-	(610,204)	(610,204)	(453)
Total other transfers and additions(deductions)	\$ (833,068)	\$ (172,205)	\$ (1,005,273)	\$ (573,955)
Net increase in fund balance before cumulative effect of accounting change	\$ (139,497)	\$ (172,205)	\$ (311,702)	\$ 1,622,507
Cumulative effect of change in accounting method (Note 1)	\$ -	\$ 1,207,274	\$ 1,207,274	\$ -
Net increase (decrease) in fund balance	\$ (139,497)	\$ 1,035,069	\$ 895,572	\$ 1,622,507

See notes to financial statements.

**MURRAY STATE UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 1996**

**Note 1. Summary of Significant Accounting Policies**

**Nature of Entity**

Murray State University (the University) is a state supported institution of higher education located in Murray, Kentucky and is accredited by the Southern Association of Colleges and Schools. The University awards graduate and undergraduate degrees and serves a student population of approximately 8,000. The Institution is a component unit of the Commonwealth of Kentucky (the state).

**Basis of Accounting**

The financial statements of the University have been prepared on the accrual basis of accounting. The statement of current funds revenues, expenditures, and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization, interest and equipment renewal and replacement; and (3) transfers of a non-mandatory nature for all other cases.

**Fund accounting**

To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounts of the University are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources for various activities are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined and reported as five balanced fund groups: current funds, loan funds, endowment funds, plant funds, and agency funds. Accordingly, all financial transactions have been recorded and reported by fund group. Within each group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the University's Board of Regents. Externally restricted funds may be utilized only in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the University retains control to use in achieving its institutional purposes.

Current funds are used primarily to account for the transactions affecting the general operation of the University. These resources are expendable for performing the primary and support objectives of the University. Restricted gifts, grants, appropriations, and other restricted resources are accounted for in the appropriate restricted funds.

Restricted current funds are reported as revenues and expenditures when expended for current operating expenses.

The loan funds group is used to account for loan programs available to students and financed primarily by the Federal government.

**Note 1. Summary of Significant Accounting Policies (cont.)**

Endowment funds are those for which donors or other external agencies have stipulated, under the terms of the instrument creating the fund, that the principal is not expendable. That is, it is to be maintained inviolate and in perpetuity and is to be invested for the purpose of producing current and future income which may be expended or added to principal.

Plant fund groups are used to account for the transactions relating to investment in University property. Plant fund subgroups include (1) unexpended plant, (2) renewals and replacements, (3) retirement of indebtedness, and (4) investment in plant. The unexpended plant subgroup consists of funds to be used for the acquisition and/or construction of physical properties for institutional purposes but unexpended at the reporting date. The renewals and replacements subgroup consists of funds to be expended for renewals and replacements of plant fund assets, including some renewals and replacements of a type not ordinarily capitalized in the investment in plant subgroup. The retirement of indebtedness subgroup consists of funds set aside for debt service reserves and charges, and for retirement of indebtedness on institutional properties. The investment in plant subgroup consists of funds expended for and thus invested in institutional properties and the bond indebtedness incurred to finance plant acquisitions and construction. Physical plant and equipment are stated at cost at the date of acquisition or at fair market value at the date of donation for gifts. Depreciation on physical plant and equipment is not recorded.

Agency funds are used to account for assets held by the University as custodian or fiscal agent for others and used for certain organized activities.

All gains and losses arising from the sale, collection or other disposition of investments and other noncash assets are accounted for in the funds which owned such assets. Ordinary income derived from investments, receivables, and the like is accounted for in the fund owning such assets, except for income derived from investments of endowment funds, which income is accounted for in the fund to which it is restricted.

**Change in accounting for assets held by Murray State University Foundation**

Effective July 1, 1995, the University changed its method of accounting for assets held by the Murray State University Foundation (the Foundation) for the benefit of the University. Prior to that date, the University did not record in its financial statements contributions made to the Foundation for the benefit of the University. Such contributions were recorded as assets and revenues of the Foundation. The Foundation made distributions to the University or paid expenses on behalf of the University as directed by University management.

During the year ended June 30, 1996, management of the University and the Foundation reviewed the nature of the relationship between the two organizations in connection with the Foundation's implementation of Financial Accounting Standards Board Statement of Financial Accounting Standards No. 116 *Accounting for Contributions Received and Contributions Made*. As a result of this review, management of both organizations determined that the Foundation was acting as an agent for the University in the collection of gifts and donations to be used solely for the benefit of the University. Management of the University also determined that the assets held by the Foundation as agent for the University and related contributions received by the Foundation for the sole benefit of the University should be recorded as assets and revenues in the University's financial statements. This change in accounting had the effect of increasing the current restricted funds fund balance and the endowment funds fund balance at July 1, 1995 by \$1,207,274 and \$6,871,910, respectively. This change also had the effect of decreasing the net decrease in the current restricted funds fund balance for the year ended June 30, 1996 by \$435,000 and increasing the net increase in the endowment funds fund balance for the year ended June 30, 1996 by \$1,070,000.

**Investments**

The University values investments at cost if purchased or, if received as a gift, at market value at the date of the gift.



**Note 1. Summary of Significant Accounting Policies (cont.)**

**Inventories**

Inventories are stated at the lower of cost, (first-in, first-out method) or market.

**Pledges receivable**

The University's policy is to recognize pledges as revenue only when collected.

**Deferred revenue**

Revenues of summer school academic terms are reported in the fiscal year in which the programs predominantly fall. Therefore, deferred tuition revenue is recorded for terms which have not begun at fiscal year end.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to use estimates and assumptions. The accompanying financial statements include estimates for items such as allowances for doubtful accounts and loans receivable, self insurance liabilities and other accrued liabilities. Actual results could differ from those estimates.

**Note 2. Deposits and Investments**

The University currently uses commercial banks and the Commonwealth of Kentucky for its depositories. Deposits with commercial banks are covered by Federal depository insurance or collateral held by the bank in the University's name. At the state level, the University's accounts are pooled with other agencies of the State. These State pooled deposits are substantially covered by Federal depository insurance or by collateral held by the bank in the State's name. The investments of the University not held in the State investment pool are insured or registered, or are held by the University or by an agent in the University's name.

Below is a summary of the investments:

	June 30, 1996		June 30, 1995	
	Carrying Amount (at Cost)	Market Value	Carrying Amount (at Cost)	Market Value
U. S. government securities	\$ 5,189,246	\$ 5,176,061	\$ 5,145,348	\$ 5,152,761
Certificates of deposit	700,000	700,000	640,000	640,000
Subtotal	\$ 5,889,246	\$ 5,876,061	\$ 5,785,348	\$ 5,792,761
Investment in state investment pool	\$ 13,031,414	\$ 12,948,878	\$ 13,767,059	\$ 13,842,246
Total	\$ 18,920,660	\$ 18,824,939	\$ 19,552,407	\$ 19,635,007

**Note 3. Inventories**

Inventories at June 30 consisted of :

	1996	1995
<b>Current unrestricted funds-</b>		
<b>Inventories:</b>		
Central stores - supplies	\$ 39,754	\$ 85,480
Central stores - furniture and equipment	962	3,186
Food and food service supplies	78,681	88,657
Physical plant	278,123	283,271
University bookstore	865,678	753,158
Subtotal	<u>\$ 1,263,198</u>	<u>\$ 1,213,752</u>
<b>Endowment fund-</b>		
<b>Inventories:</b>		
Folke Tegetthoff - books	\$ 144	\$ 464
Total	<u>\$ 1,263,342</u>	<u>\$ 1,214,216</u>

**Note 4. Accounts and Loans Receivable**

A summary of accounts and loans receivable at June 30 follows:

	1996	1995
<b>Current unrestricted funds -</b>		
<b>Accounts receivable:</b>		
Student	\$ 956,270	\$ 788,156
Employee:		
Travel advances	11,435	3,666
Computer loans	42,332	46,252
Outside sales	429,493	390,916
State agencies	10,133	2,456
Allowance for doubtful accounts	(408,662)	(356,370)
Subtotal	<u>\$ 1,041,001</u>	<u>\$ 875,076</u>
<b>Current restricted funds -</b>		
<b>Accounts receivable:</b>		
Grants and contracts	\$ 1,762,112	\$ 751,550
<b>Loan funds -</b>		
Advances to students	\$ 4,401,698	\$ 4,370,623
Allowance for doubtful accounts	(248,236)	(243,467)
Subtotal	<u>\$ 4,153,462</u>	<u>\$ 4,127,156</u>
<b>Endowment funds-</b>		
<b>Accounts receivable</b>	\$ 184	\$ -
<b>Plant funds -</b>		
Advance to Commonwealth of Kentucky	\$ -	\$ 645,476
<b>Agency funds -</b>		
State agencies	\$ -	\$ 34,000
Total	<u>\$ 6,956,759</u>	<u>\$ 6,433,258</u>

**Note 5. Assets Held by MSU Foundation**

Assets held by the Murray State University Foundation are invested in an investment pool managed by the Foundation and are carried at fair market value. The assets in the pool are invested as follows: securities of the U.S. government and its agencies, 55%; marketable equity securities, 24%; certificates of deposit, 9%; and other 12%.

**Note 6. Property, Plant, and Equipment**

A summary of property, plant, and equipment at June 30 follows:

	1996	1995
Land	\$ 2,667,739	\$ 2,563,393
Buildings	92,697,922	92,377,123
Improvements other than buildings	8,623,883	7,909,692
Equipment	24,439,066	23,199,108
Library holdings	17,210,513	16,580,258
Construction in progress	9,911,629	4,774,616
Total	<u>\$ 155,550,752</u>	<u>\$ 147,404,190</u>

During the year ended June 30, 1996, the University capitalized interest cost of approximately \$403,000.

**Note 7. Employee Benefits**

**A. Kentucky Teachers Retirement System:**

All faculty and exempt employees required to hold a degree and occupying full-time positions, defined as seven-tenths (7/10) of normal full-time service on a daily or weekly basis, are required by state law to participate in the Kentucky Teachers Retirement system (KTRS). KTRS, a cost sharing, multiple-employer, public employee retirement system, provides retirement benefits based on an employee's final average salary and number of years service. Benefits are subject to certain reductions if the employee retires before reaching age sixty, unless the employee has twenty-seven or more years of participation in the plan. The plan also provides for disability retirement, death and survivor benefits and medical insurance.

The Kentucky Teachers Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Teachers Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601-3868 or by calling (502)573-5120.

Funding for the plan is provided from eligible employees who contribute 6.16% of their salary through payroll deductions and the Commonwealth of Kentucky, which also indirectly contributes 13.84% of current eligible employees' salaries to the KTRS through appropriations to the University. Contribution requirements of the plan members and the University are established by Kentucky Revised Statute and the KTRS Board of Trustees. The University's contributions of KTRS for the fiscal years ending June 30, 1996, 1995 and 1994 were \$3,403,658, \$3,223,192 and \$3,030,043, respectively, equal to the required contributions for each year.

**Note 7. Employee Benefits (cont.)**

**B. Kentucky Employee Retirement System:**

Substantially all other full-time University employees are required by law to participate in the Kentucky Employee Retirement System (KERS), a cost sharing multiple-employer, public employee retirement system. KERS provides retirement benefits based on an employee's final average salary and number of years of service. Benefits are subject to certain reductions if the employee retires before reaching age sixty-five or less than twenty-seven years of service. The plan also provides for disability retirement, death and survivor benefits and medical insurance.

The Kentucky Employee Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Employees Retirement System, 1260 Louisville Road, Perimeter Park West, Frankfort, Kentucky 40601 or by calling (502)564-4646.

Funding for the plan is provided from eligible employees who contribute 5.00% of their salary through payroll deductions and the Commonwealth of Kentucky, which also indirectly contributes 8.56% of current eligible employees' salaries to the KERS through appropriations to the University. University contribution rates are determined by the Kentucky Revised Statute and the Board of Trustees of the Kentucky Retirement Systems each biennium. The University's contributions to KERS for the years ending June 30, 1996, 1995, and 1994 were \$804,525, \$772,003 and \$662,952, respectively, equal to the required contributions for each year.

**C. University Self-Insurance Program:**

The University maintains a self-insurance program for employees' health and accident insurance. The University pays substantially all expenses of the plan for permanent full-time employees and their families. Expenses incurred to cover claims paid by the University under the plan for year ending June 30, 1996 totaled \$2,889,198.

**Note 8. Bonds Payable**

Bonds payable at June 30, 1996, consist of the following:

	<u>Outstanding</u>
Consolidated Educational Buildings Revenue bonds, issued 1961 to 1993, with maturities to 2012, interest rates 2.6% to 8.0%	\$ 21,943,000
Consolidated Housing and Dining System Revenue Bonds, issued 1965 to 1968, with maturities to 2008, interest rates 2.75% to 3.63%	5,217,000
Others issued 1987 to 1995, with maturities to 2015, interest rates 2.4% to 6.75%	<u>4,582,144</u>
Total	<u>\$ 31,742,144</u>

Revenues from student housing and dining facilities, certain other auxiliary enterprises and student fees are pledged for the retirement of the bonds. All bonds are collateralized by land and buildings.

**Note 8. Bonds Payable (cont.)**

A schedule of the mandatory principal payments for the next five fiscal years and thereafter is presented below:

Year Ending June 30	Consolidated Educational Buildings Revenue Bonds	Housing and Dining System Revenue Bonds	State Property and Building Commission Bonds	Total
1997	\$ 2,410,000	\$ 510,000	\$ 222,433	\$ 3,142,433
1998	2,528,000	525,000	239,444	3,292,444
1999	2,650,000	545,000	223,619	3,418,619
2000	1,935,000	560,000	230,675	2,725,675
2001	1,300,000	580,000	247,611	2,127,611
Thereafter	11,120,000	2,497,000	3,418,362	17,035,362
Total	<u>\$ 21,943,000</u>	<u>\$ 5,217,000</u>	<u>\$ 4,582,144</u>	<u>\$ 31,742,144</u>

The required minimum reserves of \$3,543,480 and \$679,204 for the Consolidated Educational Sinking Fund and the Housing and Dining Sinking Fund, respectively, are on deposit with the trustee and are included in the "Cash" and "Investments" amounts in Plant Funds in the accompanying balance sheet.

**Note 9. Litigation**

The University has been named as defendant in several lawsuits. It is the opinion of management and its legal counsel, based in part on the doctrine of sovereign immunity and other statutory provisions, that the ultimate outcome of litigation will not have a material effect on the future operations or financial position of the University.

**Note 10. Murray State University Foundation, Inc.**

Murray State University Foundation, Inc. (the Foundation) is a Kentucky not-for-profit corporation formed to receive and invest funds as agent for the University. The Foundation also operates the Francis E. Miller Golf Course as a separate enterprise, and manages certain endowments and investments on behalf of the University.

The Foundation has a Board of Trustees separate from that of the University; however, the President and certain other officers of the University are also officers of the Foundation.

The University provides office space and pays certain operating expenses of the Foundation in exchange for investment management services provided by the Foundation. The Foundation prepares and issues its own financial statements.

**Note 11. National Scouting Museum**

The National Scouting Museum of the Boy Scouts of America, Inc. (The Museum) operates a museum on the campus of the University. Under an agreement that expires on September 30, 2030, the University provides a building on the University's campus to house the Museum at no cost to the Museum and provides \$85,000 of direct support to the Museum annually. The University also provides office space and certain administrative services to the Museum at no charge.



**INDEPENDENT AUDITORS' REPORT  
ON SCHEDULE OF FEDERAL AWARDS**

To the Board of Regents  
of Murray State University

We have audited the financial statements of Murray State University (the "University") as of June 30, 1996, and have issued our report thereon dated September 13, 1996. These financial statements are the responsibility of the management of the University. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of the University taken as a whole. The accompanying Schedule of Federal Awards, which is also the responsibility of the management of the University, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

This report is intended for the information of the Board of Regents, management of the University and officials of the Commonwealth of Kentucky. However, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche LLP*

September 13, 1996

## MURRAY STATE UNIVERSITY

### SCHEDULE OF FEDERAL AWARDS YEAR ENDED JUNE 30, 1996

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Federal Grantor/Program Title	Federal CFDA Number	Federal Expenditures
<b>MAJOR PROGRAMS</b>		
Student Financial Aid:		
U.S. Department of Education:		
Pell Grant Program	84.063	\$3,521,210
Federal Workstudy Program	84.033	423,557
SEOG Program	84.007	319,002
Nurse Traineeships	93.358	28,631
USIA Programs	84.007	17,575
Perkins Loan Program	84.038	<u>4,901</u>
Total Student Financial Aid		<u>4,314,876</u>
Research and Development:		
National Science Foundation:		
Artic Ecosystems	47.050	13,987
Artic Ecosystems II	47.051	6,902
Fossil Bat Long Bone Sections	47.074	2,803
Chemosignals and Female Mate Choice	47.074	8,217
Bacterial Succession in the Sediments of Kentucky Lake	47.074	(95)
Microbial Activity in Sediments of Kentucky Lake	47.076	14,027
Examination of Reduced Pressure Plasma Emission	47.076	14,183
Relationships Between Gut Capacity Thyroid Hormone and Energy	47.076	<u>702</u>
Total National Science Foundation		<u>60,726</u>
National Aeronautics and Space Administration:		
SIC Contacts	43.001	68,890
An Investigation of OHMIC in P-type SIC Devices by RBS	43.001	<u>9,950</u>
Total National Aeronautics and Space Administration		<u>78,840</u>
Department of Defense -		
Military Family Institute of Marywood College	12.800	<u>7,495</u>
Environmental Protection Agency -		
A Comparison of Agricultural vs. Forested Basis	66.505	<u>36,151</u>

# MURRAY STATE UNIVERSITY

## SCHEDULE OF FEDERAL AWARDS - (CONTINUED) YEAR ENDED JUNE 30, 1996

Federal Grantor/Program Title	Federal CFDA Number	Federal Expenditures
<b>MAJOR PROGRAMS</b>		
Department of Interior:		
Availability of Coal Resource in Indiana	15.808	\$ 35,958
Fort Smith	15.904	1,918
Subsurface Archeological Excavations at Fuqua Village Site	15.904	<u>(40)</u>
Total Department of Interior		<u>37,836</u>
Federal Emergency Management Agency - Western Kentucky Access Route Prioritization Year II	83.521	<u>9,985</u>
Department of the Army:		
Waterfowl and Bald Eagle Ecology at Ballard County	12.110	15,851
MARC: Construction Engineering Research Lab	12.113	<u>5,241</u>
Total Department of the Army		<u>21,092</u>
Department of Agriculture - Regulation of Peppercorn Activity	10.206	<u>10,744</u>
Public Health Service:		
Characterization of a Transposon in Streptococcus	93.390	6,382
Viral Like Sequences	93.390	<u>18,743</u>
Total Public Health Service		<u>25,125</u>
Department of Energy:		
Epscor Traineeship Grant	81.049	10,000
Transport, Accumulation, and Utilization of Organic Carbon	81.049	<u>51,159</u>
Total Department of Energy		<u>61,159</u>
Department of Education - Evaluation of Impact of School to Work Activities	81.199 H	<u>4,692</u>



## MURRAY STATE UNIVERSITY

### SCHEDULE OF FEDERAL AWARDS - (CONTINUED) YEAR ENDED JUNE 30, 1995

Federal Grantor/Program Title	Federal CFDA Number	Federal Expenditures
<b>MAJOR PROGRAMS</b>		
Tennessee Valley Authority:		
Poultry Diagnostic Services Laboratory	62.004	\$ 30,226
Mist Netting Surveys for Bat Species on TVA LBL	62.005	<u>5,113</u>
Total Tennessee Valley Authority		<u>35,339</u>
Fish and Wildlife Service -		
Indiana Bat Population	15.610	<u>61</u>
Total Research and Development		<u>389,245</u>
Other:		
U.S. Department of Education:		
Upward Bound	84.047 A	318,376
Kentucky TeleLinking Network Equipment Grant	84.203 B	<u>453,999</u>
Total Other		<u>772,375</u>
Department of Agriculture -		
Rural Utilities Services Equipment Grant	10.855	<u>296,370</u>
Total Major Programs		<u>5,772,866</u>
<b>NONMAJOR PROGRAMS</b>		
Department of Education:		
Adult Learning Center	84.002	126,126
Birth to Primary: Phase III Implementation Project	84.024	7,485
Birth to Primary: Phase IV Implementation Project	84.024	17,253
Student Support Services	84.042	176,953
Talent Search	84.044	216,280
VOC ED: Renewal Training of Effective and Equitable Workshop	84.048	20,662
VOC ED: Field Based Teacher Education	84.048	20,016
VOC ED: Integration of Academics and Vocational Education	84.048	17,018
VOC ED: Gender Equity Resource Center	84.048	14,949
VOC ED: Tech Prep	84.048	10,216

(Continued next page)

# MURRAY STATE UNIVERSITY

## SCHEDULE OF FEDERAL AWARDS - (CONTINUED) YEAR ENDED JUNE 30, 1995

Federal Grantor/Program Title	Federal CFDA Number	Federal Expenditures
<b>NONMAJOR PROGRAMS</b>		
Department of Education (Continued):		
VOC ED: Curriculum Frameworks for Technical Education	84.048	\$ 9,873
VOC ED: Assisting School to Work in Gender Bias Reduction	84.048	9,868
VOC ED: Agricultural Education Enrichment	84.048	7,116
VOC ED: Finance and Hospitality Academies	84.048	5,761
VOC ED: Home Economics Enrichment	84.048	5,502
VOC ED: Summer Conference Travel	84.048	1,788
VOC ED: Business Teacher Education Enrichment	84.048	1,380
VOC ED: Marketing Enrichment	84.048	1,140
VOC ED: Eliminating Gender Bias	84.048	575
VOC ED: Sports Marketing Curriculum	84.048	232
VOC ED: Administration and Coordination	84.048	180
Math and Science Focused in Environmental Education	84.164	19,972
Thematic Approach to Modeling Math and Science Integration II	84.164	19,305
Environmental Specialist Pilot: Integrating Math and Science	84.164	9,805
PRISM; Science Specialist Grades 6-8	84.164	9,445
Thematic Approach to Modeling Math and Science Integration	84.164	2,406
Grades 4-5 Instructional and Curriculum Development	84.168	14,998
National Writing Project	84.994	9,177
Total Department of Education		<u>755,481</u>
United States Information Agency:		
Writing and Sharing Across Cultures	82.002	59
Veterans of International Study Association		796
Student Program: American Students		7,672
Student Program: International Students		<u>85,231</u>
Total United States Information Agency		<u>93,758</u>
Small Business Administration -		
Small Business Development Center	59.037	<u>141,219</u>

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# MURRAY STATE UNIVERSITY

## SCHEDULE OF FEDERAL AWARDS - (CONTINUED) YEAR ENDED JUNE 30, 1996

Federal Grantor/Program Title	Federal CFDA Number	Federal Expenditures
<b>NONMAJOR PROGRAMS</b>		
National Science Foundation:		
PRISM: Science Resource Specialist IV	47.049	\$ 19,996
PRISM: Partnership for Reform Initiative in Science and Math	47.066	197,508
Laboratory for Numerical Computation	47.049	26,123
Kentucky Middle Grades Mathematics Teacher Network	47.076	45,356
PRISM: Secondary Mathematics Initiative Year III	47.076	<u>10,280</u>
Total National Science Foundation		<u>299,262</u>
Corporation for Public Broadcasting:		
Community Service Grant		104,862
National Program Production and Acquisition		26,763
The Classical Classroom		<u>62</u>
Total Corporation for Public Broadcasting		<u>131,687</u>
Department of Commerce -		
PADD/MSU Telecommunications Equipment	11.300	<u>87,357</u>
Public Health Service:		
Combined Undergraduate and Graduate Training Programs	93.263	64,020
JOBS	93.561	<u>13,825</u>
Total Public Health Service		<u>77,845</u>
Department of Interior:		
Evaluating KY DFWR Wildlife Education Programs	15.611	10,846
Processing of Micromorphological Sample/Archaeology Weekend	15.804	275
Railroads in Kentucky	15.904	10,810
Public Interpretation	15.904	1,500
A Computerized Database for King	15.904	1,190
McLean County Civil War Sites	15.904	<u>1,033</u>
Total Department of Interior		<u>25,655</u>

(Continued next page)

# MURRAY STATE UNIVERSITY

## SCHEDULE OF FEDERAL AWARDS - (CONTINUED) YEAR ENDED JUNE 30, 1996

Federal Grantor/Program Title	Federal CFDA Number	Federal Expenditures
<b>NONMAJOR PROGRAMS</b>		
Tennessee Valley Authority - TVA Environmental Education Center	62.005	\$ 1,741
Corporation for National and Community Service - Keys to KERA	94.005	2,892
National Foundation on the Arts and the Humanities:		
Truman Lowe Project	45.009	9,250
Interpretive Program for Columbia Belmont State Park	45.129	4,818
First Nation Dancers at Wickliffe Mounds	45.129	1,000
Archeology Weekend at Wickliffe Mounds	45.129	190
Museum Assessment Program II	45.301	825
Total National Foundation on the Arts and the Humanities		16,083
Department of Agriculture:		
MARC: Digitizing Soil for Graves County, Kentucky	10.001	4,219
MARC: Dix River and Beech Fork Drainage Basins	10.054	5,368
Natural Resources Conservation Service	10.200	14,397
Total Department of Agriculture		23,984
Department of Energy - Energy Workshop for High School Chemistry and Physics Teachers	81.049	2,838
Fish and Wildlife Service:		
Copperbelly Water Snake Habitat II	15.608	3,181
Mapping of Habitat for Northern Copperbelly Snake in Western Kentucky	15.608	881
Total Fish and Wildlife Service		4,062
Environmental Protection Agency - Land Use/Cover Classification for Commonwealth of Kentucky	66.461	3,791
Total Federal Awards		\$7,440,521

## MURRAY STATE UNIVERSITY

### NOTES TO SCHEDULE OF FEDERAL AWARDS YEAR ENDED JUNE 30, 1996

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of Presentation* - The accompanying Schedule of Federal Awards includes the federal grant transactions of Murray State University (the "University") recorded on the accrual basis of accounting.

#### 2. RECONCILIATION OF THE SCHEDULE OF FEDERAL AWARDS TO THE STATEMENT OF CURRENT FUND REVENUES, EXPENDITURES AND OTHER CHANGES

The following schedule is a reconciliation of total expenditures as shown on the Schedule of Federal Awards to the revenue item shown as Grants and Contracts on the Statement of Current Fund Revenues, Expenditures and Other Changes, which is included as part of the University's basic financial statements:

Expenditures per Schedule of Federal Awards	\$ 7,440,521
Plus:	
State grants and contracts	1,895,439
Other grants and contracts	411,542
Foundation grants and contracts	1,098,179
Less:	
Perkins Loan Program disbursements included in the Loan Fund	(4,901)
College Work Study Program disbursements included in auxiliary enterprises	<u>(52,904)</u>
Grants and contracts as shown on the Statement of Current Funds Revenues, Expenditures and Other Changes	<u>\$ 10,787,876</u>

#### 3. LOAN PROGRAMS

The University has advanced \$611,880 to students for the Perkins Loan Program (CFDA #84.038) for the year ended June 30, 1996. The University processed \$14,237,893 of new loans under the Federal Family Education Loan Program (which includes Stafford Loans, Parents Loans for Undergraduate Students, and Supplemental Loans for Students).

#### 4. INDIRECT COSTS

Predetermined fixed indirect cost rates have been approved as follows:

Period covered	7/1/93 - 6/30/96
Based on financial information for fiscal year	1992
Predetermined rate	50%

These rates are applied to direct salaries and wages, excluding all fringe benefit costs, for on-campus programs.

**PART II**

**REPORTS ON INTERNAL CONTROL STRUCTURE**

# Deloitte & Touche LLP



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## INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON THE AUDIT OF FINANCIAL STATEMENTS

To the Board of Regents  
of Murray State University

We have audited the financial statements of Murray State University (the "University") as of and for the year ended June 30, 1996, and have issued our report thereon dated September 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the University is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with managements authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the University for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

To the Board of Regents  
of Murray State University

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Regents, management of the University and officials of the Commonwealth of Kentucky. However, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche LLP*

September 13, 1996





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**INDEPENDENT AUDITORS' REPORT ON THE  
INTERNAL CONTROL STRUCTURE USED IN  
ADMINISTERING FEDERAL AWARDS**

To the Board of Regents  
of Murray State University

We have audited the financial statements of Murray State University (the "University") as of and for the year ended June 30, 1996, and have issued our report thereon dated September 13, 1996. We have also audited the University's compliance with requirements applicable to major federal awards programs and have issued our report thereon dated September 13, 1996.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133 *Audits of Institutions of Higher Education and Other Nonprofit Institutions*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the University complied with laws and regulations, noncompliance with which would be material to a major federal program.

In planning and performing our audit for the year ended June 30, 1996, we considered the University's internal control structure and assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinions on the University's financial statements and on its compliance with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal awards programs. We have addressed internal control structure policies and procedures relevant to our audit of the financial statements in a separate report dated September 13, 1996.

The management of the University is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control

To the Board of Regents  
of Murray State University

structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal programs in the following categories:

General Requirements

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace
- Administrative requirements

Specific Requirements

- Types of services allowed or not allowed
  - Eligibility
  - Matching, level of effort or earmarking
  - Reporting
  - Cost allocation
  - Monitoring subrecipients
- Claims for advances and reimbursements  
Amounts claimed or used for matching

Accounting Applications

- Billing
- Receivables
- Cash receipts
- Purchasing
- Accounts payable
- Cash disbursements
- Payroll
- Property and equipment
- General ledger
- Budgeting
- Investments

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the University expended 78% of its total federal awards under major federal award programs.

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the University's major programs, which are identified in the accompanying Schedule of Federal Awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

To the Board of Regents  
of Murray State University

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure used in administering federal award programs that we consider to be material weaknesses as defined above.

We also reported on compliance with laws and regulations related to our audit of the financial statements and with requirements related to major federal award programs, which we reported to the University's management in our report dated September 13, 1996.

This report is intended for the information of the Board of Regents, management of the University and officials of the Commonwealth of Kentucky. However, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche LLP*

September 13, 1996

**PART III**  
**REPORTS ON COMPLIANCE**

# Deloitte & Touche LLP



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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON THE AUDIT OF FINANCIAL STATEMENTS

To the Board of Regents  
of Murray State University

We have audited the financial statements of Murray State University (the "University") as of and for the year ended June 30, 1996, and have issued our report thereon, dated September 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Compliance with laws, regulations, contracts, and grants applicable to the University is the responsibility of the management of the University. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the University's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on the overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

We also noted a matter involving compliance with laws and regulations related to federal financial assistance, which we reported to the University's management in our reports dated September 13, 1996 on compliance related to federal financial assistance programs.

This report is intended for the information of the Board of Regents, management of the University and officials of the Commonwealth of Kentucky. However, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche LLP*

September 13, 1996



**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH SPECIFIC REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL AWARD PROGRAMS**

To the Board of Regents  
of Murray State University

We have audited the financial statements of Murray State University (the "University") as of and for the year ended June 30, 1996, and have issued our report thereon, dated September 13, 1996.

We have also audited the University's compliance with the requirements governing eligibility, matching, reporting, cost allocation, type of services allowed, monitoring subrecipients, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1996. The management of the University is responsible for the University's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, *Audits of Institutions of Higher Education and Other Nonprofit Institutions*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the Schedule of Immaterial Noncompliance Findings. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the University complied, in all material respects, with the requirements governing eligibility, matching, reporting, cost allocation, type of services allowed, monitoring subrecipients, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal award programs for the year ended June 30, 1996.

To the Board of Regents  
of Murray State University

This report is intended for the information of the Board of Regents, management of the University and officials of the Commonwealth of Kentucky. However, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche LLP*

September 13, 1996

**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH THE GENERAL REQUIREMENTS  
APPLICABLE TO FEDERAL AWARDS**

To the Board of Regents  
of Murray State University

We have audited the financial statements of Murray State University (the "University") as of and for the year ended June 30, 1996, and have issued our report thereon dated September 13, 1996. We have also audited the University's compliance applicable to requirements of major federal award programs and have issued our report thereon dated September 13, 1996.

We have applied procedures to test the University's compliance with the following requirements applicable to its federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1996:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace
- Administrative requirements

Our procedures were limited to the applicable procedures described in Office of Management and Budget's *Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the University's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the University had not complied, in all material respects, with those requirements.

We also reported on compliance with laws and regulations related to our audit of the financial statements and with specific requirements related to major federal award programs which we reported to the management of the University in our reports dated September 13, 1996.

This report is intended for the information of the Board of Regents, management of the University and officials of the Commonwealth of Kentucky. However, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche LLP*

September 13, 1996



## **SCHEDULE OF IMMATERIAL NONCOMPLIANCE FINDINGS**

### **Finding:**

There was no evidence of entrance counseling for 2 of a sample of 20 Stafford loan recipients.

### **Criteria:**

In accordance with 34 CFR 682.604, all institutions except correspondence schools must conduct entrance counseling with each first time Stafford borrower prior to release of the first disbursement of loan proceeds.

### **Effect:**

The University was not in compliance with 34 CFR 682.604 for 2 of 20 Stafford loan recipients.

### **Recommendation:**

The institution should implement procedures to ensure compliance with 34 CFR 682.604.

### **Response:**

Murray State University signed an agreement with Kentucky Higher Education Student Loan Corporation (KHESLC) for the delivery of Federal Family Education Loan Checks by master checks for the 1995-96 year. This allowed MSU to credit the student's accounts with their loan proceeds. All federal loan proceeds had been delivered by individual check prior to using master checks. Each student had always signed an "Entrance Interview Fact Sheet" when he or she picked up the first disbursement of loan proceeds each year. The only tracking of students was for the incoming freshmen which were subject to delayed delivery of their loan proceeds. These freshmen were mailed "Entrance Interview Fact Sheets" if they participated in master check delivery by checking for "EFT" on their promissory note with KHESLC. All students receiving regular individual check delivery still signed the fact sheet. The transfer students and returning MSU students using master checks who borrowed for the first time were not provided with the entrance counseling material. We did not have a means of identifying them.

The problem of lack of entrance interview counseling for first time borrowers is already corrected. The computer center has provided a field on the mainframe in the BRS system for a flag to keep track of all students receiving entrance counseling. The loan proceeds from master checks are being delivered through a delivery program which will not allow a student's account to be credited with federal loan proceeds until the entrance interview field contains a "Y". This field is set with a "Y" when the Student Loan Accounting Office has a signed "Entrance Interview Fact Sheet" on file for the student borrower. Entrance counseling is provided in person at all Summer Orientations. Entrance fact sheets are mailed to students who did not attend a Summer Orientation. The signed "Entrance Interview Fact Sheets" are on file in the Student Loan Office.

**INDEPENDENT AUDITORS' COMMENTS ON  
RESOLUTION OF PRIOR YEAR FINDINGS**

The University has taken corrective action on the finding from prior year's audit report prepared in accordance with OMB Circular A-133.

**PART IV**  
**INFORMATIONAL DATA**

## INFORMATIONAL DATA

MURRAY STATE UNIVERSITY  
SECOND FLOOR, SPARKS HALL  
MURRAY, KENTUCKY 42071

AUDITOR: Deloitte & Touche LLP  
220 West Main Street, Suite #2100  
Louisville, Kentucky 40202

LEAD AUDITOR: James C. Carpenter, CPA

TELEPHONE NO.: (502) 562-2000

The audit was performed between the months of June 1996 and September 1996 at the University's facilities as follows:

Location	Description of Facility	Dates Visited
Murray State University Second Floor, Sparks Hall	Accounting and Financial Services and Student Financial Aid Office	June 1996 through September 1996

Institution's Accrediting Organization: Southern Association of Colleges and Schools

Records for the accounting and administration of the SFA programs are located at:

Murray State University  
Accounting and Financial Services and  
Student Financial Aid Office  
Above address

**Deloitte &  
Touche LLP**

Suite 2100  
220 West Main Street  
Louisville, Kentucky 40202-5313

Telephone: (502) 562-2000  
Facsimile: (502) 562-2073

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH HOUSE BILL 622 (KRS 164A.555 TO 164A.630)  
BASED ON THE AUDIT OF FINANCIAL STATEMENTS**

Board of Regents  
Murray State University  
Murray, Kentucky

We have audited the financial statements of Murray State University (the University) as of and for the year ended June 30, 1996, and have issued our report thereon dated September 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller of the United States, and the "Minimum Audit Scope Compliance with House Bill 622 (KRS 164A.555 to 164A.630)", dated August 1983, issued by the Commonwealth of Kentucky Finance and Administration Cabinet. Those standards and the "Minimum Audit Scope Compliance House Bill 622 (KRS 164A.555 to 164A.630)" require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with the provisions of House Bill 622 applicable to the University is the responsibility of the management of the University. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the University's compliance with the applicable provisions of House Bill 622. However, the objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards* and the "Minimum Audit Scope Compliance with House Bill 622 (KRS 164A.555 to 164A.630)".

This report is intended for the information of the Board of Regents, management of the University, and officials of the Commonwealth of Kentucky. However, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche LLP*

September 13, 1996

**Deloitte Touche  
Tohmatsu  
International**

## MURRAY STATE UNIVERSITY

## SEMESTER TUITION RATES

FULL TIME TUITION

	1996/97 RATES	1997/98		
		DOLLAR INCREASE	RATES	PERCENT INCREASE
Undergraduate	\$ 870	\$ 30	\$ 900	3.40%
Graduate	\$ 960	\$ 30	\$ 990	3.10%

NON-RESIDENT

Undergraduate	\$2,610	\$ 90	\$2,700	3.40%
Graduate	\$2,880	\$ 90	\$2,970	3.10%

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PART-TIME TUITION

	1996/97 RATES	1997/98		
		DOLLAR INCREASE	RATES	PERCENT INCREASE
<u>RESIDENT</u>				
Undergraduate	\$ 77	\$ 2	\$ 79	2.60%
Graduate	\$ 113	\$ 3	\$116	2.65%

NON-RESIDENT

Undergraduate	\$ 223	\$ 7	\$230	3.14%
Graduate	\$ 324	\$ 10	\$334	3.09%